

CAPITAL UNIVERSITY OF SCIENCE AND
TECHNOLOGY, ISLAMABAD



**Impact of Cronyism on Deviant
Workplace Behavior and Employee
Creativity: Mediating Role of Moral
Disengagement and Moderating Role of
Power Distance**

by

Falak Naz

A thesis submitted in partial fulfillment for the
degree of Master of Science

in the

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Department of Management Sciences

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*Dedicated to my Parents, whose prayers and support enabled me to have success
in all spheres of life.*



CERTIFICATE OF APPROVAL

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Abstract

The purpose of this research was to investigate the impact of cronyism on deviant workplace behavior and employee creativity, on employees who are working in the service sector specifically the banking and teaching sectors of Pakistan. Further, this study takes moral disengagement as mediator and power distance as moderator. This study examines the linkages based on social exchange theory that discusses the relationship between employee and employer. Moral disengagement in employees is an emotional response towards organizational cronyism and results in negative outcomes such as indulging in deviant workplace behavior and employee creativity.

The research design consists of a questionnaire-based survey and the responses were from Rawalpindi and Islamabad. The data was collected from different branches of banks and schools in Rawalpindi and Islamabad. The analysis was done by using Amos for CFA (confirmatory factor analyses) and SPSS, the 21st version was used for Reliability, Descriptive statistics, control variables, Correlation, and regression analyses.

The findings of the study clarified that there is a significant positive relationship between cronyism and moral disengagement which results in deviant workplace behavior. But there is a significant positive relationship between cronyism and moral disengagement which results in high employee creativity. The result of the study showed that moral disengagement is the positive mediator between cronyism and DWB and employee creativity while power distance was found significant as a moderator. Limitations and future research were also discussed.

Keywords: Cronyism, Deviant Workplace Behavior, Moral disengagement, Employee Creativity, Power Distance, Social Exchange Theory.

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List of Abbreviations

AMOS	Analysis of Moment
CFA	Confirmatory Factor Analysis
CFI	Comparative Fit Index
DWB	Deviant Workplace Behavior
IFI	Incremental Fit Index
RMSEA	Root Mean Square Error of Approximation
SPSS	Statistical Package for Social Sciences
TLI	Tucker-Lewis Index

Chapter 1

Introduction

1.1 Background of the Study

As cronyism means friends long-standing because of its “long-standing” which is derived from “Khronos” (Turhan, 2014) word is origins in 1990 of Greek dictionary and in 1840 it was used by the meaning of capacity and favor to set up friendships. As the idea of cronyism is explained in social exchange theory, as said that powerful people may take advantage of resources and in doing so may provoke constitutes a social cost that discourages justice and fairness. Blau (1964) and Emerson (1976) introduced two important concepts of value and reward which were also discussed in exchange theory. In the beginning, many scholars compared it with macroeconomics and financial variables. Bjorkman and Kock (1995) explained it as close contact with good friends and they explained about the social relationship and business networks. “Giving gifts” is also used in business and political terms (Steildmeier, 1999).

Khatri, Tsang, and Begley (2006) studied corruption, nepotism, and guanxi, which were related concept of cronyism. Corruption and cronyism are not the same but are related words. Corruption is used for public office for personal and private gain mostly; it may include the use of public funds, taxes, property, etc. It may also include all types of agents and exchanges linking them for desirable outcomes (Khatri, 2016). Most literature suggests that corruption occurs due to the reaction

of cronyism because corrupt exchange often involves collaboration (Roberts, 2010). Where the nepotism is used in political and personal connections, where some jobs are reserved for a subset of workers and it is also used by the workers who use connections to “jump the queue”. It means that politicians use connections for blood relations (Chassamboulli & Gomes, 2020). In cronyism, it does not only include family but also relatives and friends. There are social variations as cronyism is a broader social phenomenon. The *guanxi* is informal personal relationships and social connections that facilitate the exchange of favor between people (Wang & Chen, 2018). The difference between *guanxi* from cronyism which is defined by Khatri et al., (2006) is that *guanxi* leads to favoritism whereas cronyism itself is an act of favoritism and *guanxi* is not at the expense of other parties whereas cronyism is or maybe at the expense of other parties. Turhan (2014) discussed that the USA was the first one to use the word cronyism politically. The Truman’s organization president was held blame for recruiting representatives dependent on very close to the home relationship as opposed to choosing on merit.

The human species as a member always rely on family, a close relative, or trusted allied to deal with the problem and help them in achieving goals hence cronyism occurs (Hodgson, 2018). Khatri et al., (2006) defined cronyism as “a reciprocal exchange transaction where party A shows favor to party B based on shared membership in a social network at the expense of party C’s equal or superior claim to valued resources”. There must exist four elements and these are, first exchange transaction, second something valuable must be received by party B and lastly there must be share membership and it must cost something to party C.

Cronyism can be in the form of horizontal and vertical, here the horizontal cronyism takes place among friends, associates, and colleagues, this form becomes the reason of financial crisis. Contrary to that, the vertical cronyism occurs among the superior-subordinate relationship in an organization (Khatri & Tsang, 2003). The type of cronyism can be internal and external, as internal may include its role in selecting, appraisal, training as well as more concerns of employees. The external may include cronyism in the government context like bidding, license, and other customer engagement (Andrews, Nimanandh, Htun, & Kantabatra, 2019).

Extant literature has discussed its serious effects on employees and organizations like the breach of the psychological contract, job stress, job satisfaction, and organizational climate. Arasli and Tumer (2008) explained its results like job stress, job satisfaction, and intention to quit. They elaborated that conflict may occur between existing and new employees due to which things like incentives, pay structure, and other benefits may cause such problems. It also becomes the reason for the psychological breach of contract because cronyism exploits the power and resources and violates the merit. In contrast, employees who get favor, receive incentives from the supervisor ultimately promote relational psychological contract (Shaheen & Bari, 2019).

The counterproductive behaviors have enormous costs associated with them, not only financial but social and psychological, and these deviant behaviors are of four types e.g., production, political, property, and personal deviant, which have a significant impact on the workplace (Peterson, 2002). Whereas workplace creativity becomes the reasoning of achieving innovative outcomes, growth, and development (Zhou, & Hoever, 2014). Oldham and Cummings (1996) said that personal characteristics, job complexity, and supervisory style contribute to creative performance. As creativeness creates synergies and it occurs when both the leader and employees have the style of innovation (Tierney, Farmer, & Graen, 1999) but when there is cronyism in an organization it can badly affect the level of employee creativity.

These practices can be an obvious result of organizational cronyism (Shaheen, Bashir, & Khan, 2017) which may result in a moral disengagement (Ul Haq, 2019) and may cause negative workplace behavior. Thus the question about how to ensure that employees are not in the state of disengagement needs to be addressed because the morally disengaged employee may not seem happy at the workplace. Barsky (2011) gave a clue that when employees become morally disengage, they may have a high phase of cognitive complexity to make inside consistency however conceivably destructive contentions for beguiling conduct by denying the satisfactory principles. Then, as moral disengagement may create more negative outcomes

(Yang, Wang, Huan, & Liu, 2018). These might appear in the form of a low level of employee creativity (Coelho, Augusto, & Lages, 2011).

Moral disengagement can cause harm both directly and indirectly and it is done by inhumane conduct and it may decrease prosocial behavior like cooperativeness, helpfulness, and increase anti-social behavior like aggressiveness, delinquency (Bandura, Barbaranelli, Caprara, & Pastorelli, 1996). The moral disengagement exhibit a higher level of violence, theft, and other misconducts than the individuals who present good self-sanctions as a powerful influence for their behaviors and can also result in diffusion and displacement of responsibilities (Bandura, 1999). Therefore it may cause to decrease in moral identity (Detert, Trevino, & Sweitzer, 2008) and it may create job insecurity, stressors, bullying, loss of productivity, damage of property, absenteeism, moreover, it may create a “morally disengaged culture” (Fida, Paciello, Tramontano, Fontaine, Barbaranelli, & Farnese, 2015).

Discussing culture, Pakistan as a high power distance culture and in high power distance culture, cronyism might be acceptable (Hofstede, 2001). Power distance might enhance the feeling of employees about cronyism and moral disengagement. Power distance is an individual’s belief about the position, right, and command in the organization (Kirkman, Chen, Farh, Chen, & Lowe, 2004). Hofstede has identified five culture dimensions in which high and low power distance influences employees, organizations, and processes (Khatri, 2009). In high power, distance employees respect their boss and allow their higher authorizes to take decisions and don’t challenge them and vice versa (Iqbal, & Rasheed, 2019). So, in high power distances cronyism is higher as seniors receive support (Shaheen & Bari, 2019) and high-power distance strengthens the possibility of moral disengagement among employees than in low power distance orientation (Lian, Huai, Farh, Huang, & Chao, 2016).

Cronyism occurs in almost all the sectors, everyone points on the resource like connections, referrals, bureaucracy, etc. for support in job hunting both in public and private organizations (Shekhawat, 2019). More specifically, banking and academia are not free from cronyism. The promotions and compensations are highly dependent on personal connections and this may affect the knowledge and merit and

outcome may be an unethical behavior (Karakose, 2014). As a result employees in respective organizations, who face cronyism become less productive (Saleem, Yaseen, & Zahra, 2018). This may be the reason that organizations' biggest challenge is to keep their environment and culture free of cronyism and to engage their employees by capturing their minds and hearts at the stage of their work life.

1.2 Gap Analysis

Cronyism is considered unethical behavior in an organization, as it results in a different kind of negative behavior of employees. The negative deviant behavior is a growing concern for every organization, as these behaviors can decline the well-being of the organization. Moreover, the person that exhibits deviant behavior becomes less productive (Appelbaum, Laconi, & Matousek, 2007). These circumstances develop toxic attitudes and behaviors, and ultimately organizations suffer downsizing, violations of rules, and strengthen the probability of unethical practices (Appelbaum, Shapiro, & Molson, 2006). Jame, Brodersen, and Eisenberg (2004) indicated that positive affect increases whereas negative affect decreases creativity.

Extant literature shows that studies have already been conducted with nepotism favoritism, leadership style, and psychological breach of contract. However, the impact of cronyism and its dual outcome (attitude and behavior) has yet not been studied simultaneously (Shaheen, & Bari, 2019). Therefore, a chance exists for learning the impact of cronyism on deviant workplace behavior and employee creativity.

Additionally, favoring individuals within the circle might be a significant reason for employees being morally disengaged (Bonner, Greenbaum, & Mayer, 2016). Moral disengagement has been studied widely in the social and psychology field but yet a little work is done in the field of management (Johnson & Buckley, 2015, Moore, 2008). Moral disengagement does tend to increase deviant behavior (Christian, & Ellis, 2014) and tend to decrease employee creativity. Zheng, Qin, Liu, and Liao (2019) gave a clue that moral disengagement can lead to such outcomes.

Thus, in this study, it's being studied as a basic procedure between creativity and workplace deviant behavior. Moral disengagement is another variable that shows how employees feel when there is cronyism (Harris, & He, 2019). So there is a need to test conclusions with cronyism and see the result in the context of Pakistan.

In an organization, the relationship of supervisor and their employees depend on power as the cultural context is a vital element for decision making. Mostly decisions making takes place at the top level (Bialas, 2009). Individuals, employees, and the workforce are more probable to perceive that leaders possess more power and status, so the unequal distributed power is highly acceptable in high power distance than in low power distance (Kirkman, et al., 2009). Power distance is another dimension of this research and as explained earlier is their cultural dimension by Hofstede (2001) and used by different research either as a mediator or moderate in their research. This study is going to identify the moderating role of power distance between cronyism and moral disengagement.

1.3 Problem Statement

Cronyism is an individual's tendency to favor other individuals within the circle to extend benefits. Such favorable and partial acts create chaos in the organization, ultimately motivating employees to involve in deviant workplace behavior. Simultaneously, constant courteous and backing behavior towards a few selected employees reduces creativity in a few others in the same organization. Furthermore, obvious favors noticed by the majority of existing employees encourage them to involve themselves in moral disengagement which further strengthens the probability of deviant workplace behavior and might also decrease employee's tendency toward creativity. In a cultural context where power distance is quite high, such advantageous arrangements have general acceptance. Unfortunately, cronies aren't challenged by the majority instead assumed as a source of exchanging benefits.

Extant research provides a limited clue where attitudinal and behavioral outcomes of cronyism are discussed thoroughly specifically in the Asian context. Thus, the

present study not only comprehensively focuses on detrimental outcomes and consequences of cronyism but also emphasizes on the explanatory mechanism of moral disengagement through which this ordinary act leading to negative undesirable outcomes widely. Additionally, in Pakistan where high-power distance prevails, the study would bring some interesting findings.

1.4 Research Question

On the above examined the expressed issues, the current examination is pondered to discover the response to for certain inquiries, a short synopsis of the inquiries are as per the following;

Question 1: Does cronyism affect deviant workplace behavior?

Question 2: Does cronyism affect employee creativity?

Question 3: Does moral disengagement mediates the relationship between cronyism and DWB and employee creativity?

Question 4: Does power distance play a moderating role between cronyism and moral disengagement?

1.5 Research Objectives

The study objective is to create and test the model and hopes to see the connection between cronyism and moral disengagement and deviant workplace behavior and employee creativity. Additionally, power distance is being studied as a moderator to the relationship between cronyism and moral disengagement. Moral disengagement has been added as a mediator in our study to check the impact that if it mediates the relation or not.

The particular goals of the study are expressed underneath:

- 1:** To examine the relationship between cronyism and deviant workplace behavior.
- 2:** To investigate the relationship between cronyism and employee creativity.
- 3:** To examine the mediating role of moral disengagement in the relationship

between cronyism and deviant workplace behavior and employee creativity.

4: To identify the moderating role of power distance in the relationship between cronyism and moral disengagement.

1.6 Significance of Study

The study will help identify the role of cronyism with workplace deviance and employee creativity. Furthermore, it will make a significant addition in literature by exploring the explanatory mediatory mechanism of moral disengagement between cronyism and deviant workplace behavior and employee creativity. The underlying mechanism of power distance as a moderator with unique findings would also add to extant literature.

This study will also help in understanding the unique environment of Pakistan where things perceived ordinary bring disastrous outcomes in organizations. By identifying forms of cronyism as the root cause of workplace deviant behavior can be managed effectively. Simultaneously identifying the role of cronyism which it plays to lower employee creativity, the importance of merit-based promotions and benefits can be emphasized. This study would be a source of awareness in the different sectors of Pakistan and would encourage them to refine their recruitment and selection department to hire competent and psychologically hardy employees.

The casual attitude of few individuals directly or indirectly influences the everyday working example of the association. Somehow, little unethical behavior can create a stream of negative outcomes. Thus, conscious actions are the only source that brings a sense of responsibility in individuals.

1.7 Supporting Theory

The theory that is supporting all the variables of my research and linking those variables directly and indirectly to each other is “Social Exchange Theory”. Social exchange theory is the overarching theory for this integrated model. Social

exchange theory appropriately discusses all the variables because it depicts the exchange of emotions, feelings, behaviors, materials, and non-material goods and things and their impact on each other as well.

1.7.1 Social Exchange Theory

Homans (1958) was the first to present social exchange theory in which he stated that social conduct is the consequence of something in return like prestige. There are two parties and there is an exchange relationship between both, and this procedure proceeds to adjust the commitments from the two players associated with the social exchange. This theory help in understanding and evaluating employee emotions (Cropanzano & Mitchell, 2005). Employees keep the relationship on the bases of cost-benefit analysis with others because they require something in response (Blau, 1964). According to Tepper et al., (2009), representatives who think that their supervisors relationally abuse them are bound to deny their administrators' power strategies and a short time later take part in freak conduct focused toward the authorities and organization.

The social exchange plays a main part in the moral disengagement process because it tells the employees that there is an exchange relationship. If the organization is deteriorating a sense of equity among individuals, it might also influence their exchange relationship. For example, the relationship between the organization and coworkers' changes, and the tendency to morally disengage becomes double when they see such an unfair attitude (Huang, Wellman, Ashford, Lee & Wang, 2016). From the social exchange aspect, individuals in an organization are more likely to do the same with destructive behavior with the existence of workplace conditions (Alias, Mohd, Ismail, & Abu Samah 2013). According to the social exchange theory, our research variables are linked as when employees face unfairness and see the unethical conduct, as a result, they respond in the form of destructive behaviors and then they may lower the positive and higher the negative behaviors (Blau 1964). Likewise, when employees experience cronyism they may be decreasing positive behaviors and increasing negative behavior i.e., an increase in DWB and a decrease in employee creativity. People responded in the same way as they

are treated. Blua, (1960) proposed that negative acts are responded with negative practices which may become the reason for moral disengagement, as the relationship between employee and employer depends upon leader and employee exchange relationship and according to social exchange theory. Pakistan has a high power distance culture. In high power distance, the subordinates do not care about the fair distribution of power which may increase cronyism (Im & Chen, 2020).

Chapter 2

Literature Review

2.1 Cronyism and Deviant Workplace Behavior

Human resource is the most essential and vital part of the organization, therefore, an organization cannot survive or succeed without them. It is their effort that brings effectiveness and makes the organization successful. In most cases, employees are willing to put their best (Obuobisa- Darko & Tsezah, 2019). As employee's engagement plays an important role, similarly the damaging and exploitative practices of representatives may hurt the prosperity of the association just as its workers (Zhang, Lu, Torres & Chen, 2018). This damaging and unhelpful behavior may have cost linked with their behaviors such as economic, social, and psychological, as it presents both the societal and organizational problems (Harvey, Martinko & Borkowski, 2017). The behaviors include absenteeism, stealing, withholding efforts, working slowly, theft, gossiping, unethical decision making, taking an additional break, fake claims, and unnecessary leaves, etc. (Yekinni, 2019).

The researcher defines deviant workplace behavior as “intentional acts that harm the organization or people in the organization” so when customs, policies, regulations are intentionally harmed it is described as deviant behavior. Robinson and Bennett (1995) referred to workplace deviance as “voluntary behavior that violates significant organizational norms and in so doing threatens the well-being

of an organization, its members, or both". As they divided the deviant workplace behavior into individual and interpersonal deviant workplace behavior towards organizations. As they further explained, organizational deviance is the behavior that breaches the organization's principles and norms that are theft, withdrawal attempt, stealing, misuse of the firm's property, etc. additionally, the behavior which harms the peer, supervision, and subordinates are the interpersonal deviance. Deviant workplace behavior has increased significant attention among all the negative practices as purposeful behavior. The negative workplace behavior named deviance includes mocking coworkers, exploiting subordinates, damaging equipment, working slowly on purpose, and coming late (Howald, Lortie, Gallagher, & Albert, 2018). Barmaki (2019) argued the six areas of deviant behavior of Goffman, as discussed the "nature" and "social life" are intimately connected with the deviant behavior. These include "order", "morality", "hierarchy", "normality" and "discipline", whereas the interaction qualities include the self-centered, ambitious, awkward, deceitful, and adventurous but the social life may shift them into cautions, traditionalist and other monitoring individuals, as the qualities are foundations to maintain of socialization.

Retaliation and dysfunctional behavior, organizational misbehavior has been reviewed under unlikely phrases such as deviant workplace behavior (Fox, Spector, & Miles 2001) and counterproductive behavior (Vardi & Wiener, 1995). To get fully aware and informed about deviant workplace behavior Robinson and Bennett (1995) have introduced a term that gives full information about categories of deviant workplace behavior and differentiates between individual and organizational deviance. The individual deviance is about target towards its members and organizational deviance is about direct behavior towards the organization. As organizational and interpersonal deviance are two different concepts that's why it was important to find out the causes of deviance to categorize employee behavior (Robinson & Bennett, 1995).

Its strength is also examined by Bennett and Robinson (2000), the range from minor (low) to serious (high) is of quantitative division. The organizational and interpersonal deviance is of qualitative division. Favoritism, gossiping, blaming

of a coworker, and competing are the political deviance that is included in minor interpersonal deviance. Additionally, production deviance included in minor organizational deviance like leaving early, taking a long break, dragging work, and wasting resources. The serious interpersonal deviance includes personal aggression for example sexual bothering, teasing, stealing, and endangering of coworkers. Whereas property deviance included in the serious organizational deviance which leads to sabotaging equipment, accepting kickbacks, lying about work, and stealing from the company.

Bennett and Robinson, (2003) have also shown that there are three dimensions first deviance as a reaction to a negative experience, the second personality, and third-social life/context. Pletzer, Bentvelzen, Oostrom, and Vries, (2019) studied the big five model and HEXACO model with workplace deviance to check the personality dimension with deviance. Mao, Chang, Johnson, and Sun, (2019) studied deviance with social context and looked at different behaviors to check the negative experience reaction. Shaheen, et al., (2017) studied cronyism as an antecedent of workplace deviance and later suggested to study cronyism with the social and cultural aspect of the organization (shaheen, & Bari 2019).

Prior research on deviant workplace behavior has greatly emphasized the importance of its phenomenon and its negative monetary, psychological, and societal cost. Workplace deviance has harmful effects and becomes problematic for the organization. If employees are engaged in some degree of deviance, in return it can cost billions to the organization in the form of loss of productivity and another cost (Bennett, Marasi, & Locklear, 2019). The systematic review of analysis done by Baharom, Sharfuddin, and Iqbal (2017) showed that the cost of deviant workplace behavior is in billion. For instance, Bennett and Robinson (2000) argued that 15% of workers have taken things from the organization and more than 33% were engaged in theft and fraud. Seeing the fact that the deviant workplace behavior causes a huge cost and are becoming common in the organization, it has become a necessity to explain such behavior and their reason.

Yesiltas and Gurlek (2020) explained two contrasting approaches that explained

the disclosure of deviant behaviors within the organization. The first is a situational approach and the second is the individual approach. Accordingly, the situational approach includes the physical or environmental conditions of the organization. The individual approach includes individual factors which affect their tendency towards deviant behaviors. On basis of these two approaches, Yesiltas and Gurlek (2020) explained two predictors; individual antecedents and organizational antecedents. The organizational antecedents include high turnover rate and job insecurity and individual antecedents include emotional dissonance and exhaustion, as these may result in bullying, sexual harassment in the workplace, reduce in-service sabotage, and many more.

These negative behaviors take place due to an exchange relationship. The initial behaviors are referred to as initiating actions and against these actions or behaviors, reciprocating responses are made. The social exchange theory predicts that the responses will be according to the actions, the target will reply in positive against the positive initiating and reply negatively against negative initiating actions (Cropanzano, Anthony, Daniels & Hall, 2017). Deviant workplace behavior gained the attention of researchers as it produces a wide range of negative

So researchers have identified a vast scale of antecedents of deviant workplace behaviors yet there are many others that require the attention of researchers. Cronyism is included in one of them as deviant workplace behavior may result from cronyism. There is a need to test it and by the social exchange theory, this research is to set up a positive relation between cronyism and deviant workplace behavior. Emerson (1976) said that there is also an exchange relationship between people whether they are in a society or organization. If the exchange is not desirable it may create negative emotions as deviant workplace behavior.

There are many reasons that employees are engaged in deviant behaviors and many researchers have identified many reasons why the employees are involved in destructive behaviors in the organization. It includes injustice and unfairness (Michel, & Hargis 2017), abusive supervision (Michel, Newness, & Duniewicz, 2016), workplace bullying (Peng, Chen, Chang, & Zhuang 2016). However, it is also suggested that it depends upon situational and contextual factors for the

employee to be engaged in deviant workplace behavior (Robinson & Bennett, 1995; Robinson & Greenberg, 1998).

As the organizational climate is also a reason which plays an important role and has a major contribution in the behavior of employee as it plays important role in changing and intensifying individual behavior and attitudes (Kang, Matusik, Kim, & Philips, 2016). Organizational climate is known as policies, practices, and procedures derived from the organizational body of interconnected experience (Schneider, Gonzalez-Roma, Ostraff, & West, 2017). Among all, the climate such a psychological, aggregate, innovative, safe, and the ethical climate is considered as most important in playing role in employee behaviors.

The ethical climate not only affects the positive behavior of employees but also the negative behaviors such as deviant workplace behaviors which may include behaviors like deliberate negative actions and misbehaviors that harm the organization and its members (Haldorai, Kim, Chang & Li 2019). Similarly, organization justice plays a key contributing factor in shaping the negative and positive behaviors of employees and it includes procedural, distributive, informational, and interpersonal justice (Demir, 2011).

Previous studies suggest that organizational unfairness leads to negative behaviors. Cronyism is one of them, as injustice, unfairness, and discrimination are its elements. Cronyism is unethical behavior that is increasing day by day in organizations. Cronyism is an element of organization politics, in which political behavior are comprised. The concept of cronyism is to give advantage to the person without seeing its qualification, it is often given on the bases of likeliness e.g. it can be on friendship based (Dagli, & Akyol, 2019). Akuffo and Kivipold (2019) concluded that employees and organizations have a greater negative effect due to cronyism, nepotism, and favoritism. Those who give incentives to their friends and family may sometimes forget to think that these favors may harm other employees and may result in unethical behaviors.

Kuklyte (2017) showed that cronyism creates interpersonal deviance behaviors in the organization as the deviance among the employees is related to antisocial behavior, corporate psychopathy, and organized crimes. These negative behaviors

may create disadvantages to an organization and may decrease individual performance and may disrupt organization operations. This may create dissatisfied employees in the organization (Muafi, 2011). Cronyism greatly affects those employees who are greatly committed and truly engaged in organizational work. But due to cronyism, they are not treated equally and respectfully so in these circumstances may the employees are engaged in deviant workplace behavior (Shaheen, et al., 2017).

Organizational cronyism and deviant workplace behavior received strong support from social exchange theory, which explains their relationship (Blau, 1964). The norm of reciprocity explains that when an employee faces injustice, unfairness, and an unethical environment, as a result, he responses in the form of destructive behaviors. He attempts to reestablish value by diminishing positive and expanding negative practices.

Based on the aforementioned arguments, the following relationship is being hypothesized:

Hypothesis 1: *Cronyism is positively related to deviant workplace behavior*

2.2 Cronyism and Employee Creativity

Today globalization and technological changes have enhanced the trends of employee creativity but the working environments can foster or hinder creativity. Although the resources and relevant processes like task resources and creative processes engagement are important, the leader and employee social interaction can provide opportunities for resource change and may utilize potential resources (Kwan, Zhang, Liu & Lee, 2018). Creative people play a noteworthy role in every organization as it may provide learning opportunities. As it may help employees in identifying difficult thoughts and emotions in such a way that it may support the wellbeing of the organization (Ramey, & Chrysikou, 2014).

Oldham and Cummings (1996) referred to employee creativity as “products, ideas or procedures that are novel and potentially relevant to the organization”. It

is needed by every single organization that the employees and leaders both are creative and inventive. Creativity is considered as innovative ideas, as it is a subdivision of innovation because innovation has two phases, novelty, and implementation (Liu, Liao, & Lio, 2012). With the continuous change in businesses and the economy, employee creativity in form of new strategies, concepts, procedures, practices, policies, products, or services are considered important and vital for success (Shalley, Zhou, & Oldham 2004).

Creativity in research psychology has been administrated from a different perspective as creativity helps in better problem solving and provides opportunities and solutions. It helps individuals to resolve difficult task across domains (Gino, & Ariely, 2012). Employees can be creative if there is a creative environment and a creative leader, as employees learn from their environment and organization culture. The actual practicing managers may influence a positive impact on the employees and develop a learning orientation (Gong, Huang, & Farh, 2009). According to Asgharian, Anvari, Ahmad, and Tehrain, (2015) friendly environment and friendly behavior among organizational members increase the level of creativity, increases employee morale, promote teamwork, and lower the level of turnover in the organization. Much research has been conducted in a positive aspect to see how employee creativity increases and the reason for the increase in employee creativity.

Ouakouak and Ouedraoge (2017) studied the antecedents of creativity and examined creativity at three levels including organizational level, group level, and individual level. At the group level creativity includes organizational culture, supportive climate, investment in HR activities, and organizational design and support. At a group level, it includes knowledge sharing, social networking, cooperation. At the individual level, it includes employee loyalty, motivation, personality, know-how, and cognitive abilities (Blomberg, Kallio & Pohjanpaa, 2017). Employee voice and knowledge sharing are two key factors that create creativity in the organization, voice is important for the leader whereas the information sharing is significant for the employee (Kremer, Villamor, & Aguinis, 2018).

The inner encouragement, novel idea, and competence are the element to develop and strengthen employee creativity (Amabile, 1996). To promote and enhance creativity few elements are important. All the employee does not have the ability, as it depends upon the task and skills possessed by the employees (Stojcic, Hashi, & Orlic, 2018). The firms and organizations nowadays are hiring employees based on their talent and skills, as employees with different creative skills impact organizational success. Seeing the past studies mostly research has been conducted in the sense of how employee creativity is enhanced and strengthens like studied of creativity with personality, leadership, organization culture and climate, organization support, and much more.

Creativity and personality have been discussed with each other in psychology. Puryear, Kettler, and Rinn, (2017) studied the creativity personality relationship in which they studied the big five factors of personality which include openness to experience, conscientiousness, extraversion, agreeableness, and neuroticism. The Meta-analysis between contextual and personal factors and creativity provides employees to be creative at work with factors like intrinsic motivation, creative self-efficacy, and prosocial motivation, as they are positively related to creativity (Liu, Jiang, Shalley, Keem, & Zhou, 2016).

The role of leadership has been studied widely with creativity it is argued that the characteristics of employees and supervisor are linked with creativity. The victory of the organization is dependent on innovative, operative, and effective leadership of the leader. Leadership plays a vital role in applying creativity, organizing plans, and influencing employees towards creativity (Zheng, Wu & Xie, 2017). It is related in such a way that leaders and followers have good communication and understanding (Kanki, Anca, & Chidester, 2019). Different positive leadership style has been studied and showed a positive effect of employee creativity and the employee performance and that leadership influence work outcomes (Guo et al, 2018; Zhang, Ke, Frank Wang, & Liu, 2018; Zhou & Hoever, 2014).

But in any organization, there are both positive and negative waves where there are elements, factors, and reason that increase employee creativity, simultaneously,

there are aspects which decrease employee creativity. Generally, in any organization exceptionally good or exceptionally bad behavior may affect employee behavior. For example, when an experienced, knowledgeable, and well-performed worker experiences some bad or negative handling with his or her associates, in exchange he might adopt counterproductive work behavior. Such incidents give others the power to reject out of line performers (Fong, Men, Luo, & Jia, 2018; Jiang & Gu, 2016) and by doing so she or he may improve their feeling. The cronyism is one of them which may reduce the employee work interest and lower down employee creativity (Kerse, & Babadag, 2018). The unfairness and injustice are related to cronyism an organization in which the employees are treated unequally and there is unethical behavior by the senior or boss, an employee deliberately shows negative behavior (Ul & Haq, 2019). It adversely affects the organization and personal outcomes and it is harmful to the business climate as it lowers employee morale and trust (Cingoz, & Akilli, 2015).

Cronyism is mostly done by a person having power like a boss, leader, superior, or manager. A leader who is destructive and toxic will exploit the vulnerabilities and will convince the follower to comply with their demand because these toxic leaders have the power to enhance cronyism (Pelletier, 2011). Many of the studies have shown positive results regarding negative leader styles and employee creativity. As abusive supervision and destructive leadership may lead to emotional exhaustion which may affect employee creativity and lower employee production because the negative leader style may make such as unfriendly work environment that would deplete the emotional and social resources of employees (Han, Harms, & Bai, 2015).

Seeing the adverse outcome of cronyism on employees, the employee who has relations with the leader may not believe that there is cronyism in the organization rather it affects these who do not have close relations (Riaz, 2018). As earlier studies have shown that cronyism is particular of the unethical practice which is detected in organizational culture. It may lead to unfairness and injustice, which may then produce stress in the organization. Ding, Liu, Huang, and Gu (2019) also gave a clue that stressors are positively related to employee creativity but the hindrance

stressors negatively related to employee creativity. The relationship-oriented ESN does not have an effective relationship between stressors and employee creativity whereas it strengthens the relationship between hindrance stressors and employee creativity. Hon, Chan, and Lu (2013) concluded that employees who are under pressure become dissatisfied with their existing status. The employee may experience different types of work stress and received negative feedback from the supervisor. It ultimately lowers employee creativity because employees under hindrance may become tired of negative and conflicting demands from supervision and produce negative attitudes and behavior towards their jobs. The only way the employee can perform creativity is when they get support from their organization and immediate supervisor (Jaiswal & Dhar, 2015).

The employee who thinks that been mistreated by organizational authorities may under perform and withhold their valuable knowledge resources because of the leader mistreatment (Jahanzeb, Fatima, Bauckenooghe, & Bashir 2019). According to social exchanged theory (Blau, 1964), hiding knowledge may result in a low-quality social exchanged relationship. So cronyism is bad for an employee who is forced to obligate even if he doesn't want too. Eventually, he shows bad performance and so on. It is the cronyism that damages employee creativity and their supervisors produce a poorer organizational climate (Pearce, 2015). By recognizing the variety of studies done earlier, a negative effect of cronyism on employee's creativity can be assumed. Thus, there is a clue that a negative relationship exists between these. Therefore based on the literature it is hypothesized that:

Hypotheses 2: *Cronyism is negatively related to employee creativity.*

2.3 Moral Disengagement Mediates the Relationship between Cronyism and DWB

Such a mechanism operates in daily situations in which individuals perform activities of their interests but have injurious human effects. In the past years,

researchers have paid their attention especially to areas where ethical issues occurred. Today unethical acts are occurring more and more in organizations, the reason showed that moral disengagement could increase the direction towards such unethical conduct (Beckmann, Scheineir, & Zeyen, 2018). It requires favorable social conditions as opposed to the monstrous individual to create heinous conditions giving suitable social conditions better than an average, common individual can directly do uncommonly pitiless things (Bandura, 1990). The moral disengagement mechanism exercise in everyday situations and people daily perform such activities that are against their interests. It can occur when an individual is devalued they might show moral disengagement (Huang, et al., 2016).

Moral disengagement refers to the “generalized tendency to evoke cognitions which suspend the self-regulatory processes that typically direct our moral behavior” (Moore, 2008). Moral disengagement involves self-eviction (Bandura, 2018). Such a mechanism allows people to disengage from self-sanctions accomplice with misbehavior, thus going against your feeling and working against your ethics despite your moral standards, it is the violations of moral standards (Petitta, Probst, & Barbarnelli, 2017).

These researchers then discussed Bandura’s four main points of self-regulatory systems and its mechanism from which internal moral control can be disengaged from the conduct which tends to cause harm. Graca, Calheiros, and Oliveira (2016) define the first category, cognitive construal which includes moral explanation, euphemistic labeling, and profitable comparison. The second category is obscuring personal responsibility which includes diffusion and displacement of responsibility. The third category is misrepresenting injurious consequences and the fourth category is recipients of detrimental conduct which includes dehumanization and victim-blaming. This four-category are the broader mechanism of the eight cognitive which allows one to assist harmful acts while having a positive self-image (Bandura, 1999; Bandura, 2016).

Employees who hold self-regulatory acceptance have largely concern with societal norms. The unethical conducts happen when these norms and standards get disengaged and that is when they find ways to justify their unethical behaviors

(Ebrahimi, & Yurtkoru, 2017). According to moral disengagement theory, when an employee faces such a situation in which the moral interest and organization interest are at risk, the organizational image can lead to moral disengagement. In return, it leads to harmful behaviors and unethical acts (Brief, Buttram, & Dukerich, 2001).

Besides, there are three reasons which have been discussed to create moral disengagement; the person having a lack of resources may damage the resources; to give benefits to others he may do immoral actions and if he believes that the other person deserves misconduct he will do unethical behaviors with that person (Huang, et al., 2017). The employees become morally disengaged when they see that ethics have no values for the supervisors (Dang, Umphress, & Mitchell, 2017) then the employees may adopt immoral behavior. When an individual becomes morally disengaged they use to comply with the environment by different justifications and reasoning for their unethical acts and behaviors but this justification and reasoning can be different according to different situation and environment, likewise people easily capture inhuman behavior because of moral disengagement and this occurs when outside components associate with insights of an individual (Bandura, 2014).

To understand employee behavior of moral disengagement, it is important to understand the factors and reasons that influence it. Literature has found that if a supervisor is behaving unethically then employees feel free to act badly, later becomes disengage morally (Bonner, Greenbaum, & Mayer, 2016). The organizational environment has a great impact because the individual ethical standards should match with the organizational environment and societal factors but it can negatively affect when it is the opposite. After all, the environmental factors should match with employees' ethical behaviors, as if they mismatch, weak and unethical practices take place (Uyar, & Gungormus, 2017). Thus, when the supervisor and organizational environment both impact the individual morality, they start thinking that morality does not exist and does not matter so the importance of moral values and standards becomes less important for the individual. Moreover, previous studies have found some negative outcomes of moral disengagement i.e.

unethical behaviors and job insecurity (Huang, et al., 2017), negative attributes (Zhi, & Li, 2019), and the counterproductive work behavior (Miao, Humphrey, & Qian, 2017).

Furthermore, it is also significant to know the root cause of moral disengagement. In studying this problem the previous studies have highlighted many factors at different levels such as individual, interpersonal, and organizational level that helps in explaining why employees respond badly or unethically (Chen, Chen, & Sheldon, 2016). Cronyism is unethical behavior as it is a way of representing abuse of power whenever friends are elected despite looking at the required ethical requirements. Later on, it leads to negative cronyism (Teixeira da Silva, Katavic, Dobranszki, Al-Khatib, & Bornemann-Clementi, 2019). Cronyism ultimately results in various behaviors that are linked with attitudes and closely related behavioral patterns outcomes so that the individuals who are non-cronies are differentiated and that they react with negative behavior and attitude (Shaheen, & Bari, 2019).

Moral disengagement can occur from organization corruption as employees and leaders use unethical practices to achieve their organizational goals (Moore, 2008) even in form of cronyism (Munger, 2018) the expected behavior can be moral disengagement. Moreover, moral disengagement can be due to the unethical behavior of leaders from which the organization suffers. They may damage the relationship and not only may put an effect on the employee but also the effectiveness of the organization (Fehr, Fulmer, & Keng-Highberger, 2020) because the cronies get better relations with the leader and get substantial benefits hence the relationship becomes greater for follower having a high quality of the exchanged relationship. In contrast, employees who do not have strong relations with a leader may see the environment as thoroughly cronyistic and may get dishearten where the interest group gets advantage even at the cost of group interest (Henderson, Liden, Glibkowski & Chaudary, 2009). It is argued that at the point where workers are dealt with the equality they generate an inspirational mentality however when they are not treated well they show a negative behavior as needed (Ko & Hur, 2014).

Ul & Haq, (2019) explained that in cronyism the employee is ignored which in return activates negative emotion and this emotion are expressed through different behavior. In cronyism it is a win and loss situation, one party earns on the cost of the other party's loss. It has been observed, when an individual goes through a loss he shows unethical behavior. According to Fehr, Fulmer, and Keng-highberger, (2020) at the point when individuals are occupied with deceptive conduct, they persuade themselves that it is the result of misfortune they have faced and may they engaged their self's in moral disengagement. So, when there is cronyism in an organization and the employee is affected by it then, the individual tries to defend their behavior through moral disengagement.

Moreover, it allows them not to feel guilty and overtime they may get engaged in more additional and sever aggressive behavior (Wang, Ryoo, Sweare, Turner, & Goldbery, 2017). The moral disengagement can lead to deviant workplace behavior. Zhan, Li, Liu, Han, and Muhammad (2018) proposed that employees who are morally disengaged would be involved in deviant workplace behavior. As this researcher identified the reasons for which morally disengaged employees would conduct organizational deviant behaviors, in contrast with the offensive behaviors employees organizational deviant seems much more insignificant and clear. For example, a supervisor who recommends the promotion and rewards for the employee, who isn't deserving, then other employees who are morally disengaged might engage in organizational deviance to show their anger and dissatisfaction against the decision of the supervisor. Research investigating the negative impact of interpersonal mistreatment at the workplace that if a supervisor is abusive and threaten the employees they might show their reactions through deviant behaviors and if it continues it may create relational behavior and workplace deviant behaviors (Kacmar, Carlson, Thompson, & Zivnuska, 2019).

Moral disengagement will be openly demonstrated in the form of deviant behavior because the failure of self-regulatory allows it to greatly influence behaviors. Ultimately, moral disengagement may tend to increase deviant behaviors of those employees who are planning to leave the organization (Christian, & Ellis, 2014).

Moral disengagement might act as an intervention and explanatory mechanism in linking deviant workplace behavior (Hystad, Mearns, & Eid, 2014).

As the abusive behavior of the supervisor strengthens the moral disengagement from the upper manager level to mid superiors. It shows a positive relationship between supervisory moral disengagement and abusive supervisor behavior. Similarly, when superior treats their employees in an abusive manner the employees greatly demonstrate deviant workplace behaviors because the abusive leaders unwittingly promote deviant behaviors by encouraging their subordinates to engage in moral disengagement processes (Rice, Letwin, Taylor, & Wo, 2020).

Fida, et al., (2016) studied that employees engaged in deviant behaviors produce the same mechanism that may use to justify and legitimate it, and the misbehavior and moral disengagement weakens or lowers the moral control system and may lead employees to become less sensitive. Overall, social exchange theory by Blau (1964) shows that individuals reacted similarly as they are dealt with, positive and constructive actions are responded in positive behavior and negative and unfavorable actions are responded in negative behaviors because all the relationships are built on the bases of giving and take phenomena. Based on these arguments, it is hypothesized that:

Hypotheses 3: *Moral disengagement positively mediates the relationship between cronyism and deviant workplace behavior.*

2.4 Moral Disengagement Mediates the Relationship Between Cronyism & Employee Creativity

Scholars agree that relationships at work and job characteristics which are contextual factors may affect employee creativity (Coelho, et al., 2011). Creativity is considered as an important element for success. This employee creativity is likely to decrease due to stress, emotional imbalance, distraction, and unethical

climate. Hur, Moon, and Jan, (2016) reported that misbehaviors at the workplace may harm employee creativity through emotional exhaustion. Similarly, it present study assumes that cronyism at work may decrease employee creativity through moral disengagement because negative emotions always create hindrance in creativity. Such emotions may restrict or reduce concentration and motivation which may block creative thinking.

It is necessary to understand how cronyism works and how chronic employees feel when there is organized cronyism. Nowadays organizations are struggling to achieve a balance between employees and organizational performance. Performance can be of two levels, individual level or organizational level and the performance can be the outcome of employee motivation and communication. Researchers suggest that to measure it we need data identified with a representative demeanor, activity, and inventiveness; data that recognizes what is remembered for work itself, data center around worker achievement (Muda, Rafiki, & Harahap, 2014).

But in any organization, some unethical practices may affect employee creativity (Wang, Wu & Chong, 2019). One of the major antecedents of the unethical behavior of an individual is moral disengagement. It is a cognitive mechanism and largely explores emotional motives (Harris, & He, 2019). As explained above that morally disengaged employees may create unethical behaviors. Qin, Dust, Di-Renzo, and Wang, (2019) posited that creative mentality to moral disengagement processes is more likely to unwind in leader-follower relations and moral disengagement in connected with immoral behaviors and negative creativity. The reason is that creative people are more likely to construct with an excuse which gives them a chance to behave unethically as unethical behavior may reduce self-concept (Maia, Ellis, & Welsh, 2015).

Individuals normally do not lead unethical behaviors unless they find a reason to explain it. Individuals who have high moral disengagement might be more likely to violate because they don't feel any cognitive distress from doing unethical acts that harm the organization (Baskin, Vardman & Hancock, 2016). Hence, moral disengagement has important implications to understand the facts of unethical

behavior. For example, the person might be engaged in egregious acts and where an association attempting to decrease such may focus on an intervention (Barskry, 2011).

From the perspective of a moral person, when the supervisor mistreats the peers, the other employee will also consider it incompatible and probably disapprove and dislike his supervisor. Moral disengagement may convert into destructive performance and that destructive performance among employees will not only affect an employee who suffered from mistreatment but the employees who witness it will do the same (Zoghbi-Manrique-de-Lara, & Suarez-Acosta, 2013). In organizations, employees think that leader has the capacity and attributes in boosting up their self-confidence and their creativity because a leader's characteristics can influence employee characteristics but all leaders do not motivate their employees to think creatively.

Makri and Scandura's (2010) explained that if leaders express support and show encouraging behavior then the employees will show more productivity and creativity. But when there is cronyism in the organization, the administration uses it as a device for misuse capacity to offer kindness to specific subordinates (Pearce, 2015). As discussed before the definition of cronyism, it includes the feature of inequality and injustices. Gouldner (1960) discussed it as the standard of negative correspondence when a representative gets a negative activity or treatment from the leader. Ultimately the worker reacts similarly and shows a negative attitude. When employees feel that there is inequality most of them decide to leave the organizations physically and as well as mentally but the employee that stay and face the injustice induce negligent behavior (Mesiler & Vigoda-Gadot 2014). This situation doesn't only affect it physically but mentally; as the employee exhibits no creativity. So employee that think that they are not treated equally while they have the same level of experience and knowledge they become fed up, frustrated, disappointed, unsatisfied and less committed as a result they might be engaged in moral disengagement. When employees become morally disengaged they might act more on negative emotions which is inconsistent with moral standards (Samnani, Salamon, & Sigh, 2014).

Kang-Hwa, & Hung-Yi, (2018) studied that the individual's interaction with the environment leads to stress, and for the employee, the leader is an important situational factor in the workplace. A leader can influence an employee's job stress. Moral disengagement mediates between the leader and negative outcomes. Supervisor expediency is unsafe for the association such that it can affect the mentality of representatives and they became disengaged from the moral values and morals (Greenbaum, Mawritz, Bonner, Webster, & Kim, 2018; Bandura, 2018).

Employee's level of creativity increases in a positive environment and decreases in the negative (Jafir, Dem, & Choden, 2016; De Clercq, Mohammad Rahman, & Belausteguigoitia, 2017; Coelho, Augnsto, & Lages, 2011; Zhen, et al. 2017). There is certainly worth related to a troublesome predisposition like creativity (Gino & Ariely, 2012). It is because creativity is considered as valuable and rare characteristic and creative people have a sense of entitlement (Vincent & Kouchoki, 2016). Due to this reason an individual might prefer not to suppress their moral disengagement (Robert et al., 2018). Moreover, a creative employee finds ways to give reasons for their dishonest behavior, as moral disengagement enables them to act unethically (Jaakson, Vadi, & Bauman-Vitolina, 2018).

Liu et al., (2012) reported that negative behaviors at the workplace are important reasoning for employee creativity. This moral disengagement may become the reason to decrease the creativity of employees and employ under such a situation might be demotivated and become less creative. The negative behavior or remarks by the leader, supervisor, or manager may increase the moral disengagement of employ. All these may lead to reduce attentiveness in the task and reduce creative performance (Hur et al 2016).

Social exchange theory also sheds some light on the ink of the moral disengagement between cronyism and employee creativity Blua, (1960) proposed that people who encounter negative behaviors in organizations are likely to engage in negative acts because negative acts are responded with negative behaviors. It is supported by social exchange theory that the psychological contract links employee and employer and in understanding that negative behaviors are in response to negative treatment

and vice versa. As cronyism is paid back by demonstrating negative attitude and behavior and it decreases employee ability to perform creatively.

Thus based on the above discussion it is assumed that moral disengagement mediates the relation of cronyism with creativity.

Hypotheses 4: *Moral disengagement negatively mediates the relationship between cronyism and employee creativity.*

2.5 Power Distances Moderates the Relationship Between Cronyism and Moral Disengagement

Power distance is the dimension of culture identified by Hofstede (2001). It is the tendency to which individual admits that there is an unequal distribution of power (Peltokorpi, 2019). More specifically it's "the extent to which the members of a society accept that power in institutions and organizations is distributed unequally". Organizations having power distance can control the influence of management practices on employee attitude (Sander, Yang, & Li, 2019). As power distance is important but the misuse of power is a major concern. In high power distance cultures, the employee can simply accept the unethical behavior as they consider it right by someone having power and authority.

Furthermore, the system allows the higher authorizes to decide on their own (Iqbal & Rasheed, 2019). Auh, Menguc, Spyropoulou, and Wang (2016) reported that power distance is the amount of unequal power such as status, money, power, authority, and position, which is accepted by certain individuals, groups, and organizations. Moreover the employee in high power distance experience more mistreatment as compared with low power distance societies (Lin, Wang, & Chen, 2013). The subordinates in low power distance expect that the supervisor would seek information from them and admire their opinion. When the supervisor is authoritative they are inclined to react negatively but comparing to high power

distance when the leader exhibits authoritarianism the employee may feel dishearten, disrespected, and too much controlled and look forwards to be strongly connected to authoritarian figures (Wang & Guan, 2018).

Prior research illustrated that power distance orientation impacts the interpersonal interaction and relationship between supervisor and employee. Graham, Dust, and Ziegert, (2018) studied the power distance and incompatibility of superior and employee. The results showed that if the supervisor creates a high power distance, employees do not consider it important to take responsibility. Then such employees may be uncomfortable with the supervisor and vice versa. Daniels and Greguras (2014) explained that power distance is a rate that segregates people, power distance is especially imperative in seeing the structural assessment because power is important in all aspects. As power distance is vital it is classified into the micro and macro levels. These researchers found that power distance limits the condition for most of the organizations.

It is also important to keep in mind that the definition of power differs from individual to individual according to the social aspects. Liu, Yang, and Nauta (2013) described that social aspects affect the behavior of workers while talking about power; individuals having a dissimilar amount of power. The person having more power thought that leader can defend them and must be esteemed towards them more while individual having less power does not depend more on social positions. The power also depends on upon perception of the employee as it impacts the stability between power and control and for this employee to adopt different strategies based upon the recognize power distance (Bhatt, 2019).

Power distance also varies from culture to culture as in high power distance culture and low power distance culture. In low power distance managers or higher authorities are considered a position role as they listen to the employee concern and in high power distance culture, high authorities place organization interest over individual needs (Liu, 2018). While looking at the culture of Pakistan, the high-power distance culture prevails in the organizations, the employee that is affected by cronyism chose multiple tactics to gain support from senior. Other employees try to solve and overcome their problems by adopting a “yes sir” attitude to get

rewards (Shaheen, & Bari, 2019). Pakistan has high power distance culture in which employees value their in-group relationship based on association and other ascriptive ties and prefer to handle their relationship so their cronyism is more likely to occur (Khatri, Tang, & Begley, 2006). Im and Chen (2019) said that high power distance culture may create greater damage for out-group or members who may scare the current circumstances and engage in greater favoritism so that power distance is positively related to both favoritism and cronyism. Newman, Le, North-Samardzia, and Cohen, (2019) and Lian et al., (2016) also gave a clue that power distance can be an enhancer for moral disengagement.

In high power distance culture, the manager may not give any authority to the employee or may not offer any job empowerment. It may increase the moral disengagement of employees. In high power distance, the employees agree to receive an unequal allocation of the authority without asking any questions on it (Khatri & Tang, 2003). Employees may react less positively and exhibit more stress (Tripathi & Bharadwaja, 2018). So employees in high power distance orientation, when they learn that there is unethical behavior towards certain employees, learn more moral disengagement techniques (Lian et al., 2016). High power distance organization tends to be impassive to unethical behavior because the top managers have not to give any explanation to the lower-level employees in the organization and result of getting a certain amount of immunity. In high power distance culture, there is no pressure on top management to behave ethically (Khatri, 2009). Social exchange theory also explains worker attitude and performance that individuals who mark high in power distance because of their strong esteem to authority figures depend less on the reciprocity norms concerning their outcome and performance contribution (Farh, Hackett, & Liang, 2007).

Therefore, employees respond differently to abusive supervision behaviors in different levels of power distance culture. As Iqbal and Rasheed (2019) revealed that in high power distance countries where power distance is high, individuals do not involve in deviating behavior. They suggested that due to high power distance, employees believe that their supervisor is respectable and they respect him even being abused by him. Accordingly, they suggested that the abusive action causes

harsh reactions as employees may not like such behavior and policies and may show morally disengaged behaviors in return.

According to the social exchanged theory, the relationship depends upon the leader and member exchange relationship. In high power distance, the subordinates are unconcerned about the fair distribution of power. They show the least concern about it, the level of social exchange high or low between them, they likely to accept it (Wang, Zhou, Bao, Zhang & Ju, 2020). So when there is high power distance there is cronyism because the employees accept the orders of a supervisor without any question. Thus, there is a positive relationship between power distance and cronyism (Im & Chen, 2020). As per the social learning process, the unethical behavior may result in a negative reaction such as an increase in moral disengagement especially for an employee with a high power distance orientation (Lian at el., 2016).

Based on these arguments, the following hypothesis is being assumed:

Hypotheses 5: *Power distance moderates the relationship between cronyism and moral disengagement such that it strengthens the relation when power distance culture is high and weaken when power distance culture is low.*

2.6 Research Model

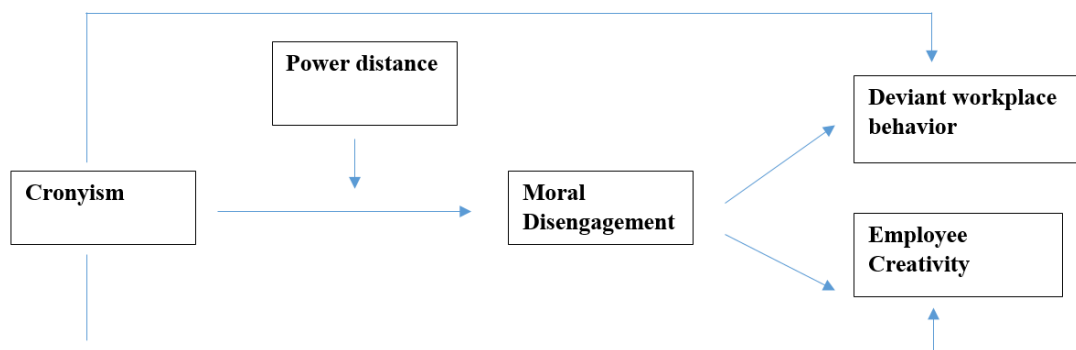


FIGURE 2.1: Impact of cronyism on deviant workplace behavior and employee creativity with the mediating role of moral disengagement and moderating role of power distance.

Figure 2.1: Impact of cronyism on deviant workplace behavior and employee creativity with the mediating role of moral disengagement and moderating role of power distance.

2.7 Research Hypotheses

Hypothesis 1: *Cronyism is positively related to deviant workplace behavior.*

Hypotheses 2: *Cronyism is negatively related to employee creativity.*

Hypotheses 3: *Moral disengagement positively mediates the relationship between cronyism and deviant workplace behavior.*

Hypotheses 4: *Moral disengagement negatively mediates the relationship between cronyism and employee creativity.*

Hypotheses 5: *Power distance moderates the relationship between cronyism and moral disengagement such that it strengthens the relation when power distance culture is high and weakens when power distance culture is low.*

Chapter 3

Research Methods

It is very significant to identify a difference among research methods and research methodology because these two forms differentiate from each other. Research techniques are discussed as ways scholars use in applying research options. Research methodology identifies as a method to systematically solve research-related issues. Hence, when we say about research methodology it doesn't mean methodology only but also includes the reasoning behind the method applied in the context of that study. Specifically, this chapter includes the methodology to examine the Impact of cronyism on Deviant Workplace Behavior and Employee Creativity with the Mediating Role of moral disengagement and Moderating Role of power distance. The debate in this chapter is associated with design, population, and sampling techniques, instruments, and characteristics of the sample of research and variables that exist in each variable.

3.1 Research Design

If a research design is good it will enable scholars to acquire outstanding outcomes and it helps in intensifying the effectiveness of the research. In social sciences research, two research design techniques are there known as “qualitative approach” and “quantitative approach”. Generally, the quantitative examination is more

liked by the researchers because it is more significant in comparing with subjective exploration plans (De Vaus, 2001). Scholars can secure reliable, honest, and certified results with the source of quantitative research design (Chase, Teel, Thornton-Chase & Manfredo, 2016). Researches explain the design of the study is a demonstration for data collection and data analysis in such a method that the objective is to blend suitability to the study goal with the budget in the process (Cook, Cheshire, Rice, & Nakagawa, 2013). For the current study, we are getting the help of quantitative research design by applying consistent methods and tools. In this examination, information was gathered utilizing a self-directed poll. Utilization of survey is beneficial as far as cost, time and it's anything but difficult to encode and look at information (Cavana, Delahaye, & Sekaran, 2001; Bowling, 2005). For handling the research process, it is a thorough process and concerning the type of study involved the details study is described below.

3.1.1 Type of Study

The type of investigation is a causal study. There are cause and effect among the variables. The literature explained that cronyism received from supervisors will invoke employees to engage in negative behaviors. So, cronyism will cause moral disengagement at the workplace which in return results in negative behaviors. Moreover survey will be used to gather information for the study.

3.1.2 Research Philosophy

Research philosophy can be categorized as the following types which are positivism, realism, interpretivism, postmodernism, and pragmatism. The positivism research method is used in this research. It allows previous research and existing theories to develop and support our hypothesis. Then these hypotheses are tested empirically for verification of the proposed hypothesis. In a positivist research philosophy, a quantitative research method is considered the most pertinent method. According to research in social sciences, this philosophy includes reliable procedures for hypothesis testing and analysis. Therefore, present research included

positivist philosophy, as it supports to deduce logic to identify and confirm proposed links. So this research paradigm is being considered best and appropriate for our research so that reality, however, can be disclosed.

3.1.3 Study Setting

The non-contrived setting was used for the investigation. The researcher's involvement was minimal. The information gathered in natural settings. The present relies on field research because participants, i.e. employees of banks and schools were approached on their work and they completed the questionnaires in a normal work environment. In this study variables involved were neither influenced nor controlled, and no fake setting has formed for a scholarship.

3.1.4 Unit of Analysis

It is the most dynamic feature in any type of study of research. It discusses that individuals or objects characteristics are analyzed in the study. Individuals from various groups, countries, industries, cultures, or organizations are targeted and researchers gather data. This study is designed to see the consequences of cronyism on employees thus, the unit of analysis is individual because we are studying the employees of service sectors, and employees working in banks and schools are the target population. Their response and perception are going to determine the outcomes.

3.1.5 Time Horizon

The method chosen for data gathering for this study was time lag. The data gathering took approximately six weeks to 2 months. The purpose of executing time lag was to avoid common method bias. In the first stage data about cronyism and moral disengagement was collect and then after a time gap data about power distance, deviant workplace behavior, and employee creativity were collected.

3.2 Population and Sample

3.2.1 Population

The current study population is employees that are working in different banks and schools of Pakistan. The service part associations in Pakistan can be isolated among different classes such as banks, communication (school collages, etc.), hospitals, etc. and we collected data from private banks and schools. There are about 25 private banks in Pakistan. Due to the current situation, the concerned population in the current study contains the employees working in different branches of different banks. The schools were also targeted to obtain a reasonable response.

3.2.2 Sample

A Sample is discussed as a representative of the population. According to (Leary, 2004) the process in which a scholar selects an applicant for study from the population, with which he is concerned, this is called sampling. Similarly, according to the previous investigation, the sampling objective in quantitative research is to get a group of individual who is representative of a large group of individual, or who bestow required specific information. As discussed in social sciences research, sample practice is suggested strongly as compared to study the whole population.

The reason behind this is in sampling saves resources, money, and time is utilized, and the chance of data reliability becomes high. If we include the entire population, it is demanding, expensive, and time-consuming. Therefore, to represent the whole population a sample is enough. Sampling has two different types. One is called probability sampling and another is a nonprobability sampling. As discussed in probability sampling, each observation has an equivalent opportunity to be selected as a sample and as compared to the other sampling it is predefined which case/observation would be denoted as a population sample. When researchers get full information about the population, probability sampling is suitable and effective if no information available nonprobability sampling is used for sampling. In the present research, the data is collected from the service sector of Pakistan

which shares 53 percent in GDP. As the service sector holds a large population, this research is done in private banks, schools, and colleges specifically and as information of private banks and school, college is known so the Probability sampling technique is used and due to current circumstances simple random probability sampling technique is used. The simple random sample methods include random draws.

3.2.3 Sample Size

The sample size table of Krejcie and Morgan (1970) is followed and the 384 is the sample size for the current study, as reported by Morgan (1970) that if the size of the population is 500,000 then at 95% confidence interval with 5.0% margin of error the sample of 384 is adequate for the study.

3.2.4 Procedure

Based on references the data were collected from different banks and schools by obtaining the help of friends, relatives, and teachers. In general, gathering information by not having any contacts is practically unthinkable in the current situation, henceforth, convincing effort was made to gather information. The representatives were requested to give moral support and help in information collection. The confidentiality of information was guaranteed to them.

The challenge in time-lagged study was that it was to be collected from the same employees in two waves, i.e. Time 1, Time 2. To clarify the reason for the investigation and guarantee for the members regarding total confidentiality, a cover letter was attached at the beginning. Additionally, it was ensured that the reactions would be used just for the study purpose, no data at the individual level could ever be made open, and just total information would be utilized in the research. Also, the overviews contained the assurance that there are no right or wrong answers, and the respondents were asked to answer the inquiries as could be expected under the circumstances.

3.2.5 Data Collection in Time Lag

The cronyism and moral disengagement are assessed in the first survey. The time lag of six weeks to two months was followed to minimize common method bias. With a time-lag data about the moderating variable power distance and dependent variables, DWB and employee creativity was obtained. All the variables were self-reported as the situation was difficult, it was hard to obtain a dyadic response. Data collection was completed in around 2 months from May 2020 to July 2020 in a one-time lag. In the current study, 284 questionnaires were utilized, a few of the responses were incomplete or wrongly filled, thus, indicating a 73% response rate.

3.2.6 Data handling

The data was collected in a time lag. First, the purpose of the data collection was explained to the top management of the respective organizations. Furthermore, after receiving permission the questionnaires were distributed. The respondents were also asked to write the names so that the time 1 questionnaire could match with the time 2 questionnaires, as they were given full confidentiality and security of information. 384 questionnaires were distributed in each of the time lags. From the first time lag, 340 were received back and from the second time lag, 308 were received back. Out of these received questionnaires, few were no used as they were not properly filled (overwriting, incomplete, or wrongly filled). So a total of 284 questionnaires were utilized for analysis.

3.3 Sample Characteristics

3.3.1 Qualification

Education is the important component that accords towards thriving and accomplishment not only for whole country but for universally challenges too. Therefore, education is vital element of demographics. So as to guarantee the quality and

effectiveness of the investigation full information regarding employee's education was taken down.

TABLE 3.1: Qualification of participants

Qualification	Frequency	Valid percent	Cumulative percent
Intermediate	2	7	7
Bachelor	96	33.8	34.5
Masters	154	54.2	88.7
MS	32	11.3	100
Others	0.00	0.00	0.00

Table: 3.1. Presents information about education of respondent's. 7% was intermediate, 33.8% were bachelors, 54.2% were masters, 11.3% MS, and 0.00% have other degree. The frequency distribution is also presented in table of participant's qualification.

3.3.2 Experience

Experience is the time to spend with the particular organization of participants that time spend was recorded in terms of experience.

TABLE 3.2: Experience of participants

Experience	Frequency	Valid percent	Cumulative percent
less-1 year	66	22.5	22.5
2-5 years	199	70.1	92.6
5-10 years	17	6	98.6
10- above years	4	1.4	100

Table 3.2: The experience of employee was measured in Categories for this categorical scale was used. The table shows the experience with the organization of employee's. The responses show that 22.5% employees have less than 1 year of experience, 70.1% had 2-5 years of experience, 6% had 5-10 years of experience, 1.4% had more than 10 year or above of experience.

3.3.3 Gender

As male and female both are important part in a society. So it is important to take both male and female response to know about their thinking. As every person in society have their own perception regarding things. In present study, it has been made sure gender equivalence.

TABLE 3.3: Gender of participants

Gender	Frequency	Valid Percent	Cumulative Percent
Male	126	44.4	44.4
Female	158	55.6	100

Table 3.3: The table presented depicts that female are dominated in service sector organizations as 44.4% were male and 55.6% were female. The reason that females are more as we targeted girl's schools.

3.3.4 Age

The present study shows a wide range as the employees do not like to tell about their age so for their easiness a wide range was given to relax them.

Table 3.4 the table presented shows employee information regarding their age. The obtained responses show that majority of employees belongs to age group 20-30 years. As par statistics 49.6% employees belong to age group 20-30 years, 48.2% employees were between age group 30-40 years, 1.8% were 40-50 years and 0.4% were 51-above.

TABLE 3.4: Age of participant

Age	Frequency	Valid Percent	Cumulative Percent
20-30 years	141	49.6	49.6
31-40 years	137	48.2	97.9
41-50 years	5	1.8	99.6
51-above	1	0.4	100

3.4 Instrumentation

All assumed constructs of the contemporary study is measured via scale of multiple items where all the following items are measured and analyzed using a five point Likert scale ranging from 1 to 5, consequently. Information regarding four demographic variables the respondent Gender, Age, Qualification and Experience is also included in Questionnaires.

3.4.1 Cronyism

Scale developed by Turhan (2014) was used to measure organizational cronyism a 15-item scale. Sample organizational cronyism items are “Our manager treats employees with whom he has a closer personal connection with more tolerance”. “In our institution, individuals’ performance rather than their personal relations with the manager are taken into account when employees are rewarded”.

3.4.2 Power Distances

The 4- item scale developed by Brockner et al., (2001) was utilized for assessing power distance. The measures include in this scale are “There should be established ranks in an organization with everyone occupying their rightful place regardless of whether that place is high or low in the ranking”. Communications with superiors should always be done using formally established procedures”.

3.4.3 Moral Disengagement

Scale by Moore et al., (2012) has been used to measure moral disengagement of employees. The scale consists of 8 items. The scale includes following items: "It is okay to spread rumors to defend those you care about", "Taking something without the owner's permission is okay as long as you're just borrowing it".

3.4.4 Deviant Workplace Behavior

Workplace deviant behaviors have been measured with a set of 12 items, derived from scale developed by Bennett and Robinson (2000). The sample items in the scale contain "Taken an additional or longer break than is acceptable at workplace" and "intentionally worked slower than you could have worked".

3.4.5 Employee Creativity

Scale which has been used, adopted from Zhou and George (2001) for the supervisors to assess the level of creativity at work among their employees. The sample items include 'Suggests new ways to increase quality', and "Is a good source of creative ideas?"

3.4.6 Scales Summary

Table 3.5 shows the summary of scales and their number of items of variables that were studied in the current research.

TABLE 3.5: Instruments

variables	scales	Item no.
Cronyism	Turhan (2014)	15
Power distance	Brockner et al., (2001)	4
Moral disengagement	Moore et al. (2012)	8
Deviant workplace behavior	Bennett and Robinson (2000)	12
Employee creativity	Zhou and George (2001)	13

3.5 Statistical Tool and Measurement Model

In the measurement model relationships are investigated among latent and observed variables. It is also known as Confirmatory factor analysis (CFA). In social sciences, most of the researchers agreed to obtain a good model fitness value of “root mean square error of approximation (RMSEA)” should be considered which should be less than 0.08 or less than 0.05 (Browne & Cudeck, 1993), moreover value of “comparative fit index (CFI)” should be taken into account which should not less than 0.80 (Byrne, 1994), as we all value of “Tucker-Lewis coefficient (TLI)” should be closer to 0.90 (Hu & Bentler, 1999) and “incremental fit index (IFI)” should be measured which should be closer to 0.90 (Byrne,1994; Kline, 1998). In the current study model, fitness and consistency of the proposed model with the sample data have been investigated based on values of root mean square error of approximation (RMSEA), comparative fit index (CFI), Tucker-Lewis coecient (TLI), and incremental fit index (IFI).

3.5.1 Confirmatory Factor Analysis

TABLE 3.6: Measurement Model

	Chi-Square	DF	CMIN	RMSEA	IFI	TLI	CFI
1 Factor	5738.01	1224	4.688	0.114	0.483	0.458	0.48
2 Factor	3400.07	1223	2.78	0.079	0.751	0.739	0.749
3 Factor	3293.35	1221	2.69	0.077	0.763	0.751	0.761
4 Factor	3174.72	1218	2.606	0.075	0.776	0.764	0.775
5 Factor Initial values	2798.88	1214	2.306	0.068	0.819	0.808	0.817
Revised values	1917.71	1199	1.599	0.046	0.918	0.912	0.917

The Table 3.6 show that five-factor initial model was not fulfilling the minimum criteria of model fitness because $RMSEA = .068$, $IFI = .819$, $TLI = .808$ and

CFI = .817. For achieving excellent model fitness a few modifications have been performed. Hence, the modified model fit the data well because all values are meeting the threshold proposed by (Hair et al., 2009) and then the revised value showed RMSEA is .046 which is less than 0.08 which indicates a good fit, IFI = 0.918 which is closer to 1 illustrates a good fit, TLI = 0.912 which is also closer to 1 proves excellent fit, CFI = 0.917 again represents good fit. For more detail see Figure 3.1: Confirmatory Factor Analysis (path diagram) given at the end of supplementary information.

3.5.2 Discriminant and Convergent Validity

The proposed five-factor model has best-fit statistics results in table 3.6 indicate that the comparative 1,2,3,4 factor model has poor fit statistics comparatively. Thus, the revised final 5-factor model is fit for further analyses. Furthermore, the results of CFA also revealed that all items have a factor loading of around .70 for each item on their respective variables.

3.6 Data Analysis

To check the relations between variables researchers, used correlation, to examine of independent variables on dependent variables regression is used. Moderating and mediating variables by applying SPSS. These methods and tools have some merits and demerits, but the choice of precise tests and tools is powerfully association with research purpose, research model, research type and nature of data. For existing research, analysis of the data was completed in three steps. Firstly, demographic variables descriptive, such as age, gender, qualification, experience, and reliabilities of variables was calculated. According to scholars in social sciences items reliability should be greater than 0.70. In the current study Cronbach alpha of all variables are greater than 0.70. Furthermore, links between all the variables was tested by performing Pearson correlation. Descriptive statistics, Cronbach alpha and correlation were calculated by utilizing SPSS. In the second phase,

the direct links among theoretical variables were tested by running regression using SPSS. In the third stage, mediating and moderating impacts were examined. Mediating role moral disengagement between cronyism and its outcomes and moderating role of power distance between cronyism and moral disengagement were checked by utilizing Preacher and Hayes process macros in SPSS.

3.7 Research Ethics

During directing this research thesis, required ethics and principles were followed and more typically while gathering data. First of all, the purpose of the research was transferred to the respondents and after receiving concurrence of the respondent, their response was taught and combined for data analysis. The respondents were given guarantee about the confidentiality of the responses. If supervisor get to know that they rate him/her negatively it creates conflict in the organization. Moreover, data collection was complete in normal setting and the respondents were not forced for prompt feedback. For the convenience, respondents were not forced for some advisable response and proper time was given. Despite of the fact that the researcher handled some inappropriate behavior in most case such as some respondents misplaced questionnaires, few of them did not return the questionnaires, but still they all were answered with suitable behavior without any depraved words.

Chapter 4

Results

The results of descriptive statistics, analysis of correlation, regression analysis along with moderation, and mediation analysis are included in this chapter. The results of the analysis are depicting if the hypotheses of the study are accepted or not. To conduct analysis, Statistical Package for Social Sciences (SPSS) is used.

4.1 Reliability Analysis

The collected data was tested for the reliability to know about its reliability and consistency.

TABLE 4.1: Reliability analysis

Variables	Items	Cronbachs Alpha
Cronyism	15	0.965
Power Distance	4	0.754
Moral Disengagement	8	0.792
Deviant Workplace behavior	12	0.77
Employee Creativity	12	0.863

The results of Cronbach's alpha should be more than 0.70 because if the results are not greater it isn't considered reliable according to the rules. In this study, all Cronbach's Alpha values of the variables exist beyond the 0.70 showing that these scales are highly dependable to be used. The outcome shows that the reliability of cronyism was 0.965, which is greater than the threshold value. Moreover, the reliability of power distance is 0.754, the reliability of moral disengagement is 0.792, the reliability of DWB is 0.770 and the reliability of employee creativity is 0.863.

4.2 Descriptive Statistics

The descriptive statistics of cronyism, power distance, moral disengagement, and deviant workplace behavior and employee creativity variables are shown in the table below.

TABLE 4.2: Descriptive Statistics

Variables	Mean	STD deviation	N
Cronyism	3.10	0.85	284
Power Distance	3.55	0.85	284
Moral Disengagement	3.62	0.92	284
Deviant workplace behavior	3.69	0.73	284
Employee Creativity	3.49	0.68	284

The mean values show the responses of the respondents towards agreements and disagreements with the questions. In Table 4.2 Information regarding each variable is described in separate columns. Like in the first column there are variables and the next five columns explain the detail of data against each variable.

Table 4.2 depicts that the mean value of cronyism is 3.10 and its standard deviation value is 0.85. The mean value of power distance is 3.55 whereas the standard

deviation value is 0.85. The mean value for moral disengagement is 3.62 and its standard deviation value is 0.92. The mean value for deviant power behavior is 3.69 and its standard deviation is 0.73. Now coming to the last variable employee creativity, its mean and standard deviation values are 3.49 and 0.68 respectively.

4.3 Control Variable

In the present research, a one-way ANOVA test was run in SPSS to identify control variables. The key purpose of conducting one-way ANOVA is to see whether the demographic variables have any influence on the dependent variables, which are DWB and creativity. Therefore, our key purpose is to understand the relationships. If any demographic variables affect the dependent variable than influence is controlled. As the research main objective is to study outcomes of cronyism, therefore only the outcomes, deviant workplace behavior, and employee creativity related demographics were included. Table 4.3 reveals information.

TABLE 4.3: Control Variables

Dependent variables	DWB		Employee creativity	
Control Variables	F-Value	Sig.	F-value	Sig.
Gender	0.005	0.943	0.025	0.874
Age	0.448	0.719	0.962	0.411
Education	0.183	0.908	0.781	0.506
Experience	0.299	0.719	0.453	0.715

As results exhibits insignificance difference in Deviant workplace behavior across gender ($F=0.005$, $p > 0.05$), age ($F=0.44$, $p > 0.05$), education ($F=0.18$ $p > 0.05$) and experience ($F=0.29$, $p > 0.05$) and in employee creativity across gender ($F=0.2$, $p > 0.05$), age ($F=0.96$, $p > 0.05$), education ($F=0.78$, $p > 0.05$) and experience ($F=0.45$, $p > 0.05$). So in our study there is no need to control the demographic variables.

4.4 Correlation Analysis

To check the difference between associations among variables the correlation analysis is conducted. The major objective of the present study is to bring out correlation analysis to determine the correlation between cronyism and DWB and employee creativity, the mediating role of moral disengagement, and the moderating role of power distance, to sort proposed hypothesis effectiveness.

Analysis of correlation is also known as Pearson correlation analysis, which specifies the level and intensity of the relationship varying from -0.1 to 0.1 named as Pearson correlation range. The range of correlation from zero indicates the strength of the association among two variables. The more the correlation is distinct from zero more the association is significant between two variables. As well as the correlation is nearer to zero more the association is weaker among two variables. The essence of the relationship is marked by a positive or negative sign. The positive sign shows that there is a direct relationship among variables, a raise in one variable will raise the other variable and the negative sign shows that there is an inverse association between variables, meaning an increase in the single variable will lessen the other variable and at zero no association exists.

TABLE 4.4: Correlation Analysis

Variable	1	2	3	4	5
Cronyism	1				
Power Distance	.288**	1			
Moral Disengagement	.161**	.285**	1		
Deviant Workplace Behavior	.312**	.606**	.168**	1	
Employee Creativity	.273**	.698**	.205**	.678**	1

P < 0.05, **p < 0.01, *p < .001 N=250 **Correlation is significant at the level 0.01(2-tailed)*

The current study has used only one independent variable i.e. cronyism and it is found Significant relationship between all variables power distance showing that

($r = .288^{**}$, $p < 0.01$) and with moral disengagement ($r = .161^{**}$, $p < 0.01$) and with DWB ($r = 0.312^{**}$, $p < .01$,) and with employee creativity ($r = .273^{**}$, $p < 0.01$). The correlation of power distance with moral disengagement was significant ($r = .285^{**}$, $p < 0.01$) and with DWB ($r = 0.606^{**}$, $p < .01$,) and with employee creativity ($r = .698^{**}$, $p < 0.01$). The correlation of moral disengagement with DWB was significant ($r = .168^{**}$, $p < 0.01$) and also with employee creativity was significant ($r = .205^{**}$, $p < 0.01$). And deviant workplace behavior significantly correlated of employee creativity with DWB ($r = 0.678^{**}$, $p < .01$). The double static means that there is less error and the values above 0.6 show strength of relationship and that they strongly affect each other.

4.5 Herman Test and Variance Inflation Factor

The collected data was self-reported from all respondents so to check the common method bias Herman test was conducted and it showed .26 of variance which is less than .50. Thus, it is concluded that there is no thread of common method bias. To check the multicollinearity, the variance inflation factor was conducted and it showed a value of 1.851 which is less than 3 so it is concluded that there is no issue of multicollinearity as well.

4.6 Regression Analysis

For testing the theoretical relationship and for finding out the fundamental relationship regression analysis has been directed to validate the dependency of one variable on another variable. The regression analysis has two forms, one is simple regression and the other is multiple regression. Simple regression or linear regression has directed when there are two variables and the purpose is to create a causal relationship. Multiple regression is conducted when more than two variables are involved like in the case of mediation and moderation. According to Preacher and Hayes (2012), mediation can also exist even a direct relation between independent and dependent variables does not exist. In contrast, Baron and Kenny (1986) tell

that direct relation must be significant for mediation effect. The current study relies more on Preacher and Hayes (2012). For seeing the direct effect and the mediation purpose model 4 was utilized and moderated model 1 was utilized from Process Hayes.

4.6.1 Mediation Analysis

For the present study, mediation and moderation analysis were directed by implementing process macros (Hayes, 2013). Mediation analysis was conducted to investigate moral disengagement as a mediator between cronyism and its outcomes. For that, purpose process macros were used and model 4 was utilized for mediation regression analysis. The results revealed that the value of lower-level confidence interval (LLCI) and upper-level confidence interval (ULCI) have the same direction and sign. According to Preacher and Hayes (2012) when the sign of LLCI and ULCI are the same or no zero among the limits then the hypothesis is significant but also that the direct effect is also significant. Hence, by following preacher and Hayes (2012) concept our hypothesis “Moral disengagement mediates the relationship between cronyism and deviant workplace behavior” is accepted. So by follow Preacher and Hayes’s (2012) role we argue that moral disengagement mediates the relationship.

TABLE 4.5: Regression analysis for mediation with the first IV

Predictors	β	SE	t	R^2	P	LLCI	ULCI
Path a X to M	0.118	0.043	2.714	0.026	0.0065	0.0333	0.2027
Path b M to Y	0.1622	0.066	2.449	0.116	0.0149	0.0318	0.2926
Path c X to Y	0.2664	0.048	5.518	0.097	0.000	0.1714	0.3615
Path c' X to Y	0.2473	0.048	5.099	0.437	0.000	0.1518	0.3428
Bootstrap for Indirect effect	β	SE	LLCI	ULCI			
	0.0191	0.011	0.0024	0.0454			

The X to M and M to Y show significant results and both the LLCI and ULCI sign are the same and beta has a positive sign. According to Preacher and Hayes process, there is a total of three effects that have to ascertain: total effect, direct effect, and indirect effect.

The total effect demonstrates the effect of IV cronyism on DV deviant workplace behavior when the mediator's moral disengagement is being there. The total effects lower level confidence interval (LLCI) and upper-level confidence interval (ULCI) have the same signs with the significant value of ($\beta = .2664$, $SE=0.048$, $t = 5.518$ and $P < .0000$).

Direct effect identifies the effect of IV cronyism on DV deviant workplace behavior. In the presence of mediators the ($\beta = .2473$, $SE=0.048$, $t = 5.099$ and $P < .0000$) and the sign of LLCI and ULCI are the same, and the beta sign is also positive due to which discussed above the first hypotheses was accepted. Looking at our first hypotheses which are Cronyism is positively related to deviant workplace behavior. The first hypothesis is accepted because both the variables are moving in the same direction. When the increased effect of cronyism the deviant workplace behavior also increases and both cause the value of lower-level confidence interval (LLCI) and upper-level confidence interval (ULCI) has positive same sign (LLCI = .1518 & ULCI = 0.3428).

The indirect effect identifies that mediation exists between IV and DV i.e. moral disengagement mediates the relationship between cronyism and deviant workplace behavior. The values are predicting the significant results because there is no zero exist between the lower limit and upper limit. The lower limit is 0.0024 while the upper limit is 0.0454. After study the results it indicates that there is a mediating role of moral disengagement. If we see our third hypotheses Moral disengagement positively mediates the relationship between cronyism and deviant workplace behavior. Therefore, the results are supporting the H3 and this hypothesis is accepted.

The X to M and M to Y show significant results and both the LLCI and ULCI sign are the same but the beta has a positive sign by looking at Preacher and

TABLE 4.6: Regression analysis for mediation with the second IV

Predictors	β	SE	t	R^2	P	LLCI	ULCI
Path a X to M	0.118	0.043	2.7418	0.026	0.065	0.0333	0.2027
Path b M to Y	0.1807	0.0625	2.8914	0.1015	0.0041	0.0577	0.3037
Path c X to Y	0.2184	0.0457	4.7714	0.0748	0.000	0.1284	0.3084
Path c' X to Y	0.1971	0.0458	4.3069	0.1015	0.000	0.107	0.2872
Bootstrap for Indirect effect	β	SE	LLCI	ULCI			
	0.0213	0.0123	0.0033	0.0548			

Hayes process there are total three effects that have to ascertain: total effect, direct effect, and indirect effect.

The total effect demonstrates the effect of IV cronyism on DV employee creativity when the mediator's moral disengagement is being there. The total effects lower level confidence interval (LLCI) is 0.1284 and upper-level confidence interval (ULCI) is 0.3084 which are the same signs with the value of ($\beta = .2184$, $SE=0.0457$, $t = 4.7714$ and $P < .0000$). The beta has a positive sign whereas moral disengagement is negatively mediated between cronyism and employee creativity.

Direct effect identifies the effect of IV cronyism on DV employee creativity. In the presence of mediators the ($\beta = .1971$, $SE=0.0458$, $t = 4.3069$ and $P < .0000$) and the sign of LLCI is 0.1020 and ULCI is 0.2872 which are the same but the beta value is positive. If we see our second hypothesis which is Cronyism is negatively related to employee creativity. The second hypothesis is rejected because both the variables signs are in the positive direction and the value of lower-level confidence interval (LLCI) and upper-level confidence interval (ULCI) have positive same signs (LLCI = 0.1070 & ULCI = 0.2872 and beta value is also positive whereas our hypothesis relationship is negative. According to Preacher and Hayes (2012) when

the sign of LLCI and ULCI are positive but the hypothesis is negatively related then the hypotheses are rejected.

The indirect effect identifies that mediation exists between IV and DV i.e. moral disengagement negatively mediates the relationship between cronyism and employee creativity. The values are predicting the significant results because there is no zero exist between the lower limit and upper limit. The lower limit is 0.0033 while the upper limit is 0.0548.

The results indicate that there is no mediating as the Beta signs are positive. Therefore, the results are not supporting hypotheses 4: Moral disengagement negatively mediates the relationship between cronyism and employee creativity, and this hypothesis is rejected.

4.6.2 Moderation Analysis

Moderation analysis was conducted to examine power distance as a moderator between cronyism and moral disengagement. For that purpose model, 1 was utilized.

TABLE 4.7: Regression analysis for moderation

Variables	β	SE	T	R^2	P	LLCI	ULCI
constant	4.525	0.541	8.366	0.116	0.000	3.4609	5.5906
interaction term	0.132	0.044	2.978	0.116	0.0031	0.045	0.2202

Table 4.7 demonstrates the results of H5. The interaction term of power distance between cronyism and moral disengagement established interaction term where $B = 0.132$. The lower limit of the bootstrap value is 0.0450 and the upper limit is 0.2202 having the zero value between both limits. The bootstrap values clarify that the results are significant and power distance has a significant effect on the relationship between cronyism and moral disengagement. In other words, power distance moderates the relationship between cronyism and moral disengagement as the results are similar to the proposed hypothesis. Hence, Hypotheses 5: Power distance moderates the relationship between cronyism and moral disengagement

such that it strengthens the relation when power distance culture is high and weaken when power distance culture is low is accepted.

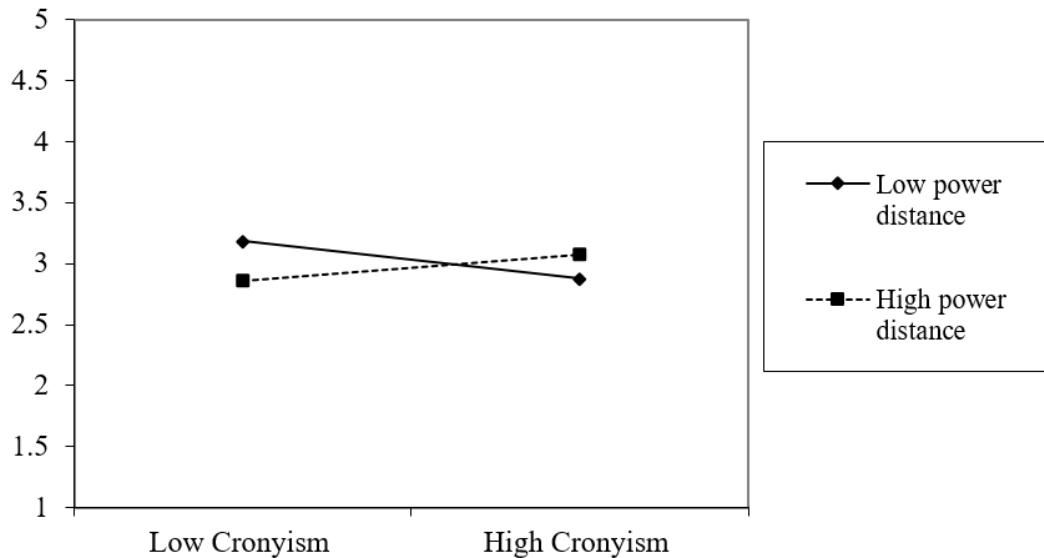


FIGURE 4.1: Moderation Graph

To follow more evidence the simple slope for moderator was plotted. It shows that there is a role of power distance which is effecting the relationship between cronyism and moral disengagement positively. In other words, the impact of cronyism on moral disengagement will boost up in the presence of power distance.

4.7 Summary of Accepted and Rejected Hypotheses

The table given below is providing the summary of accepted and rejected hypotheses, and indicating that hypothesis one which cronyism is positively related to deviant workplace behavior, hypothesis three which is moral disengagement positively mediates the relationship between cronyism and deviant workplace behavior and hypothesis five which is power distance moderates the relationship between cronyism and moral disengagement such that it strengthens the relation when power distance culture is high and weaken when power distance culture is low, these three hypothesis are accepted. Whereas hypothesis two which is cronyism is

negatively related to employee creativity and hypothesis four which is moral disengagement negatively mediates the relationship between cronyism and employee creativity, the two hypothesis are rejected.

TABLE 4.8: Summary of accepted and rejected hypotheses

Hypotheses	Statements	Results
H1	Cronyism is positively related to deviant workplace behavior.	Accepted
H2	Cronyism is negatively related to employee creativity.	Rejected
H3	Moral disengagement positively mediates the relationship between cronyism and deviant workplace behavior.	Accepted
H4	Moral disengagement negatively mediates the relationship between cronyism and employee creativity.	Rejected
H5	Power distance moderates the relationship between cronyism and moral disengagement such that it strengthens the relation when power distance culture is high and weaken when power distance culture is low.	Accepted

Chapter 5

Discussion, Theoretical and Practical Implications, Limitations, Future Direction and Conclusion

The main purpose of this study is to in-depth analyze cronyism as an Explanatory Mechanism in the relationship between deviant workplace behavior, employee creativity and with mediating role of moral disengagement and with moderating role of power distance. In such manner various examination questions have been figured which have been extensively tended to and point by point examination have been talked about underneath:

5.1 Research Question 1

Does cronyism affect deviant workplace behavior?

5.1.1 Summary of Results

To investigate the answer of the first question that is does cronyism affect deviant workplace behavior? For this hypothesis 1 was framed. According to statistical

results hypothesis H1 is accepted.

5.1.2 Discussion

According to results of the study cronyism is positively and significantly associated with deviant workplace behavior.

Seeing the definition of cronyism employee may go through different treatment by their higher authorities like leader and supervisor where some employees are shown trust and supported but some are left behind. Those who are closely related with the leader or supervisor like friend, family member and relative may receive favor in cronyism. The organization cronyism differentiates between cronies and non-cronies. The cronies are those individuals which receive favor from authorizes such as friend and relative and non-cronies are those which are left behind and not taken care off and in Pakistan the change of behavior by leader or supervisor is common where closely related employee receives much support and reward then those whose are not closely related.

The study result are line with Gooty and Yammarino (2016) study who suggested that employee who face more unfair and injustice show more negative behavior then the positive behaviors. The employees show their response by being engaged in deviant workplace behavior in turn of injustice and unfairness which they face in organization. Employees get annoyed, frustrated and less satisfied when they experience cronyism and favoritism and to relief themselves from stress and frustration they get engaged more in negative behavior and attitude and reduce positive behavior.

Earlier research have pointed out the numbers of deviant workplace behaviors antecedent which include deviance as a reply to negative treatment and experience at workplace. The social exchanged theory also supports the study finding. Blau (1964) study supported the relationship between cronyism and negative behaviors which is positive. Employee response by negative behavior when they receive unfairness as it is the norm of reciprocity (Gouldner, 1960).

5.2 Research Question 2

Does cronyism affect employee creativity?

5.2.1 Summary of Results

To investigate the answer of the second question that is does cronyism affect employee creativity? For this hypothesis 2 was framed. According to statistical results hypothesis H2 is rejected.

5.2.2 Discussion

According to results of the study cronyism is not negatively and significantly associated with employee creativity.

Cronyism produces harmful effects because in an organization employee and employer advance interests of each other as it affects the operation of organization functions. It creates harmful effects because in organization cronyism favor is given to those who are more closely related and the personal relations are taken care of and these cronies employees are more obedient and are given more privilege than others. The cronies may perform well then the other employee. The employee who is given importance and who receives favor and benefits from their leader, they try to maintain a good relationship and display a yes sir attitude. Khatri and Tsang (2003); Turhan's (2014) study findings are also aligned with it.

Simultaneously, the employee may find it better not to say anything and play safe and not make the relationship worse with the leader as the negative consequence can occur. So when employees see that there is cronyism they may likely to act safely and in fear of negative consequences like losing a job or promotion, they may likely engage more in the job and perform better in front of the leader. Guo et al., (2018) also supported the notion that employees use a coping strategy as a protection against the dominating relationship.

Creativity is composed of personal skills, attitudes, and contextual variables. Employee behavior and practices are according to the best fit of the situation they

remember that their conduct doesn't affect the ability to finish their targets. It can also be said that employees who are more committed and loyal with the organization than the leader, may try to achieve better goals and display positive acts no matter what the leader is displaying.

The study of Cingoz and Akilli (2015) is also aligning with the result that cronyism may not every time lead to low performance. When an employee benefits from cronyism in the organization they force themselves to perform better by taking advantage of easy access to resources than those who haven't. So they increase their level of creativity to outperform in front of their authorities to stay protected.

5.3 Research Question 3

Does moral disengagement mediate the relationship between cronyism and DWB and employee creativity?

5.3.1 Summary of Results

To investigate the answer to the third question that is does moral disengagement mediate the relationship between cronyism and DWB and employee creativity? hypothesis 3 and 4 were framed. According to the statistical results hypothesis, h3 accepted but h4 is rejected. So after analyzing the data results revealed that moral disengagement acts as a mediator between deviant workplace behavior and not between employee creativity.

5.3.2 Discussion

The previous studies' results also confirm the findings of our study. There are the studies available which explain that moral disengagement is due to the indifferent treatment by the supervisor, as moral disengagement is not only an internal process but also a reason of employee showing their reactions against the unethical acts of supervisor and then the unethical treatment of supervisor makes the employees

behave unethically (For example Dang et al., 2017). Hence, this argument matches our findings.

When employee experience cronyism and due to this they have to wait for a long time for their rewards and promotion which were there right, they get frustrated and on the other sides they see those employees who are closely related to the supervisor (cronies) and are rewarded, these employees may get morally disengaged and practice deviant workplace behavior and lower their employee creativity. Furthermore, people give reasoning to their unethical acts from moralities by giving the reasons that everybody does it and act unethically. To provide moral reasoning to their action they act according to the surroundings and engage their behavior accordingly. Similarly, the past literature also proved moral disengagement as a mediator that can lead individuals to unethical behavior (Jackson & Gaertner, 2010).

As suggested moral disengagement as a strong source of unethical behavior. As well as they became morally disengaged when they see that associates or other employees are getting success and promotion without considering moralities they then engage in deviant workplace behaviors. Zhang et al., (2018) study also aligning with the finding that moral disengagement is positively related to deviant behaviors. As when an individual is morally disengaged he or she may be involved in deviant behavior to justify the acts.

And hypotheses 4 that is Moral disengagement negatively mediates the relationship between cronyism and employee creativity is rejected. As a leader in an organization is a great source of an employee being creative (Blomberg, Kallio, & Pohjanpaa, 2017) as it is not necessary that a leader which is show cronyism is in the organization cannot be a source of creativity for other employees. When a leader shows encouraging and motivational behavior towards the employee then the employee may not become morally disengaged and show creativity in their work. The study of Cingoz and Akilli (2015) is also aligning with the result that cronyism may not every time lead to low performance. The study of Qin et al., (2019) that leader creativity is positively related to moral disengagement is also aligning with the results.

As Gino and Ariely (2012) reported that when employees have a creative mindset they show more moral flexibility. As employee use, a coping strategy as a protection against the domination experience. The stressful workplace events also encourage employees to work harder and show creativeness besides of being moral disengaged and becoming less creative. As the study results of Ding et al., (2019) revealed that stressors are positively related to employee creativity. In the same way, we can say that cronyism does not make employees morally disengaged by which they lower their creativity level. Organizational cronyism makes them more aware of their surrounding which may let them work harder and generate more creativeness. And that moral disengagement can be for a shorter period or a specific period and when it is over the employee may engage in normal routine work and most employees do not want to disturb their personality traits and their image and reputation in front of their supervisors and co-workers.

5.4 Research Question 4

Does power distance moderates the relationship between cronyism and moral disengagement?

5.4.1 Summary of Results

To investigate the answer of the fourth question that is does power distance moderates the relationship between cronyism and moral disengagement? For this hypothesis 5 was framed. According to results hypothesis H5 is accepted.

5.4.2 Discussion

According to the results of the study to find out the answer to research question 4 hypothesis 5 was developed which is accepted based on results.

The employee in high power distance experience more mistreatment as compared with low power distance societies as the results are aligned with the results of

Lin, Wang, and Chen, (2013). Power distance is a strong moderator because the leaders want to implement what they desire on their employees as this situation may create moral disengagement in employees. Im and Chen (2019) explained that high power distance culture may create greater damage for out-group or members who may scare the current circumstances and engage in greater favoritism so that power distance is an enhancing mechanism for the cronyism.

When cronyism is high then moral disengagement will also be high in employees due to favor given to the few employees. Furthermore, if in the organization there is high power distance it means that there will be more distance in the relationship between supervisor and employees. Ultimately there is a possibility that the supervisor will be more engaged in cronyism because the supervisor knows that no employees will question him or her. Newman, Le, North-Samardzia, and Cohen, (2019) and Lian, et al. (2016) also showed the same findings that power distance can be an enhancer for moral disengagement and its predictor. Thus, it gives us an understanding that power distance will leads employees to moral disengagement even if there is cronyism. So, the high power distance will act as a moderator to strengthen the relationship between cronyism and moral disengagement.

5.5 Theoretical and Practical Implications

5.5.1 Theoretical Implication

The current study contributes to the literature by discussing cronyism as an antecedent of deviant workplace behavior and low employee creativity. The study findings show that employee when become target of organizational cronyism involves in negative behavior like morally disengagement. As already discussed, that previous studies of cronyism have been conducted with nepotism favoritism, leadership style, and psychological breach of contact. However, in the Pakistan context, the cronyism and its outcome have not been tested theoretically as well as empirically. Furthermore, our study considered moral disengagement as a mediator and power distance as a moderator, such an explanatory mechanism captured

limited attention previously in the literature. Thus the study makes significant addition in theory by studying dual outcomes as well as mediatory and moderating mechanisms.

Drawing from the perspective of social exchange theory (Blau, 1964) it can be posited that employees keep the relationship on the bases of cost-benefit analysis. It is so because they obtain benefits in response. The study findings show that there is cronyism in the organization, the supervisor favors the specific employees making other employees behave negatively. The way managers or supervisor treat their employees always influences their attitudes and behaviors. This may lead them to moral disengagement and to balance their behavior; they may show deviant workplace behavior but don't lower down their creative contribution.

Furthermore, concerning power distance and social exchange theory, the relationship depends on the leader and employee exchange relationship. As, in high power distance culture the subordinates do not care about the fair distribution of power, and the subordinate has wide acceptability for unfairness. Hence, it strengthens the relation between cronyism and moral disengagement. Here employees accept supervisors cronyism and indulge themselves in moral disengagement. So, the findings of the study are aligned and provide support to the theoretical foundations of social exchange theory.

5.5.2 Practical Implication

The cronyism is becoming problematic for every organization so it is necessary to take measures to control such behaviors. The findings of the current study help in understanding the consequences of organizational cronyism in the service sector of Pakistan. This study has several implications for organizations, as it suggests creating a healthy and strong working environment and developing the right policies for the smooth working of the organization. Additionally, it recommends a proper evaluation not only by the employees but also by the senior executives to avoid unfair treatment. A proper check and balance on the supervisors can make a significant contribution to controlling negativity. The manager or supervisors who

are reported as unethical must be dealt with accordingly. Whistle-blowing should be promoted within the organization. Finally, organizations must promote Islamic work ethics, the promotions of Islamic values will help to reduce unethical behavior among employees. Strong religious values must be ensured, and management must convey those values to employees and supervisors.

5.6 Limitations

The study also has a few limitations. The current study is limited only to the teaching and banking sector of Pakistan, the future studies can consider taking other sectors like the telecom industry. Secondly, a few other outcomes can also be investigated, the current study just focused on dual outcomes. Third, the results are based on a small sample size future studies can try a larger sample size. Fourthly, the study relied on self-reported data, other studies can try supervisory rated. Lastly, further studies can use advanced analysis tools like Mplus for complex models.

5.7 Future Directions

The study also suggests future directions for the researchers in the field of organizational behavior. Apart from negative outcomes, positive outcomes of cronyism can be a strong contribution towards literature. Secondly, other factors with cronyism like its negative effects on life satisfaction and work-life balance can also be studied. Thirdly, Islamic work ethics and organizational culture also have great linkage towards defining employee behavior, thus these can be considered as strong moderators. Fourthly, personality traits can be studied from both aspects of supervisor and employee. Lastly, other cultural dimensions such as individualism, collectivism can be used as a moderator.

5.8 Conclusion

The study has a significant contribution to the extant literature, cronyism plays an important role in organizations. The study concludes based on empirical evidence that the way the supervisors deal with their subordinates, determines their attitude and behavior towards the organization. Thus, they must be logical in their actions and behaviors. Overall the outcomes of the study are supporting the model of the current study as most of the hypotheses are supported. Due to the universal nature and costly impact of cronyism on individuals and the entire organization, the phenomenon must be studied widely.

In the service sector, employees have the highest level of interaction with each other and they have higher expectations as well, their expectations must be fulfilled. Although a high-power distance culture supports cronyism still supervisors' behaviors need some reconsiderations. The study is consistent with previous studies and obtains support from the social exchange theory that exchanges among individuals determine outcomes.

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Appendix A



CAPITAL UNIVERSITY OF SCIENCE AND TECHNOLOGY, ISLAMABAD

Department of Management Sciences

Questionnaire (T1)

Dear Participant,

I am a MS student at Capital University of Science and Technology, Islamabad. I am collecting data for my MS thesis on the topic “**Organizational Cronyism and its Outcomes**”. Your response will be having great value for the completion of this research. The data will be used only for academic purposes and I ensure confidentiality.

Sincerely,

Falak Naz

MS Research Student

**Capital University of Science and Technology,
Islamabad**

Section: I)

Please Provide Following Information.

Education:

Matric	Intermediate	Bachelors	Masters	MS/PHD	Any Others
1	2	3	4	5	6

Experience:

0-1	02-05	05-10	10-Above
1	2	3	4

Gender:

Male	Female
1	2

Age:

20-30	31-40	41-50	51-Above
1	2	3	4

Name: _____ (will be only used to match with the second time lag questionnaire)

Bank name: _____

Section 2 Cronyism:

Sr. No	Items	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	Our manager treats employees with whom he has a closer personal connection with more tolerance	1	2	3	4	5
2	In our institution, individuals performance rather than their personal relations with the manager are taken into account when employees are rewarded	1	2	3	4	5
3	When resolving conflicts, our manager protects employees with whom (s)he has a closer personal connection	1	2	3	4	5
4	In our institution, employees who have a closer relationship with the manager are given activities that have financial or career-related benefits	1	2	3	4	5
5	The views of employees who have a close relationship with the manager are prioritized while making decisions in our institution	1	2	3	4	5
6	Faults of employees who are personally close to the manager are ignored in our institution	1	2	3	4	5
7	The interests of people who show unconditional loyalty to our manager are protected more than others in our institution	1	2	3	4	5
8	Our managers treat those who do not criticize their decisions with greater tolerance	1	2	3	4	5
9	Loyalty to the manager is the most important criterion in assessing staff within our institution	1	2	3	4	5
10	Our manager ignores the faults of subordinates who are loyal	1	2	3	4	5
11	In our institution, loyalty to the institution is more important than loyalty to the manager	1	2	3	4	5
12	Manager-employee relations in our institution are based on institutional benefits rather than personal benefits	1	2	3	4	5
13	When employees support our manager on a certain issue, they expect to be rewarded	1	2	3	4	5
14	Our managers reward employees who present behaviors that support their interests	1	2	3	4	5
15	Manager-employee relations in our institution depend on reciprocal personal benefits	1	2	3	4	5

Section 3

Moral Disengagement:

Sr. No.	Items	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	It is ok to spread rumor to defend those who care about.	1	2	3	4	5
2	Taking something without owner permission its ok as long as you are borrowing it.	1	2	3	4	5
3	Considering the ways people grossly misrepresent themselves, its hardly a sin to inflate your own credentials a bit.	1	2	3	4	4
4	People should not be held accountable for doing questionable things when they were just doing what an authority figure told them to do.	1	2	3	4	5
5	People cant be blamed for doing things that are technically wrong when all their friends are doing it too.	1	2	3	4	5
6	Taking personal credit for ideas that were not your own is not big deal.	1	2	3	4	5
7	Some people have to be treated roughly because they lack feeling that can be hurt.	1	2	3	4	5
8	People who get mistreated have usually done something to bring it on themselves.	1	2	3	4	5



**CAPITAL UNIVERSITY OF SCIENCE AND TECHNOLOGY,
ISLAMABAD**

Department of Management Sciences

Questionnaire (T2)

Respected supervisor,

I am a MS student at Capital University of Science and Technology, Islamabad. As part of my study I am collecting data for my MS thesis, your response will be having great value for the completion of this research. The data will be used only for academic purposes and will remain confidential. Thank you very much for your time and cooperation.

Sincerely,

Falak Naz

MS Research Student

Capital University of Science and Technology,

Islamabad

Section: I)

Please Provide Following Information.

Education:

Matric	Intermediate	Bachelors	Masters	MS/PHD	Any Others
1	2	3	4	5	6

Experience:

0-1	02-05	05-10	10-Above
1	2	3	4

Gender:

Male	Female
1	2

Age:

20-30	31-40	41-50	51-Above
1	2	3	4

Name of the Employee: _____ (will be only used to match with the second time lag questionnaire)

Bank name: _____

Section 2

Deviant Workplace Behavior:

Sr. No.	Items	Mostly Always	Sometimes	Every once in while	Rarely	Never
1	Taken property from work without permission.	1	2	3	4	5
2	Spent too much time fantasizing or day dreaming instead of working.	1	2	3	4	5
3	Falsified a receipt to get reimbursed for more money than you spent on business expenses.	1	2	3	4	4
4	Taken an additional or longer break than is acceptable at your workplace.	1	2	3	4	5
5	Come in late to work without permission.	1	2	3	4	5
6	Littered your work environment.	1	2	3	4	5
7	Neglected to follow your boss's instructions.	1	2	3	4	5
8	Intentionally worked slower than you could have worked.	1	2	3	4	5
9	Discussed confidential company information with an unauthorized person.	1	2	3	4	5
10	Used an illegal drug or consumed alcohol on the job.	1	2	3	4	5
11	Put little effort into your work.	1	2	3	4	5
12	Dragged out work in order to get overtime.	1	2	3	4	5

Section 3

Employee Creativity:

Sr. No.	Items	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	Suggests new ways to achieve goals or objectives.	1	2	3	4	5
2	Comes up with new and practical ideas to improve performance.	1	2	3	4	5
3	Searches out new technologies, processes, techniques, and/or product.	1	2	3	4	4
4	Suggests new ways to increase quality.	1	2	3	4	5
5	Is a good source of creative ideas?	1	2	3	4	5
6	Is not afraid to take risks,	1	2	3	4	5
7	Promotes and champions ideas to others.	1	2	3	4	5
8	Exhibits creativity on the job when given the opportunity to.	1	2	3	4	5
9	Develops adequate plans and schedules for the implementation of new ideas.	1	2	3	4	5
10	Often has new and innovative ideas.	1	2	3	4	5
11	Comes up with creative solutions to problems.	1	2	3	4	5
12	Often has a fresh approach to problems.	1	2	3	4	5

Section 4

Power Distances:

Sr. No.	Items	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	There should be established ranks in an organization with everyone occupying their rightful place regardless of whether that place is high or low in the ranking.	1	2	3	4	5
2	Even if an employee may feel he deserves a salary increase it would be disrespectful to ask his manager for it.	1	2	3	4	5
3	People are better off not questioning the decisions of those in authority.	1	2	3	4	4
4	Communications with superiors should always be done using formally established procedures.	1	2	3	4	5

Appendix B

Supplementary Information:

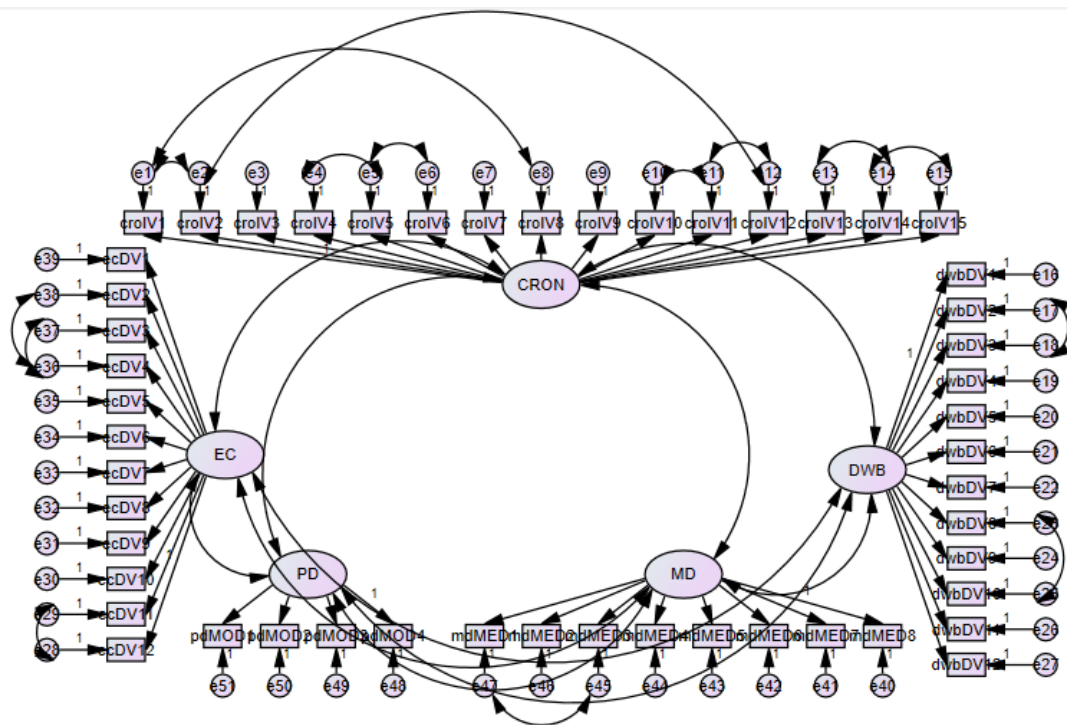


Figure 3.1: Confirmatory Factor Analysis (path diagram)